Qatars membership of the World Trade Organization: what are the economic benefits?

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QATAR'S MEMBERSHIP OF THE WORLD TRADE ORGANIZATION: WHAT ARE THE ECONOMIC BENEFITS?

VOLUME TWO: OTHER APPENDICEX

THESIS SUBMITTED IN FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF DOCTOR OF PHILOSOPHY DEGREE IN INTERNATIONAL COMMERCIAL LAW

by
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I certify that all work in this research which is not my own has been identified and properly cited. No material is included which has been submitted for any other award or qualification.

Signature:

Date:

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WORLD TRADE ORGANIZATION

ORGANISATION MONDIALE DU COMMERCE

ORGANIZACIÓN MUNDIAL DEL COMERCIO

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15 November 1995
Geneva

PROTOCOL OF ACCESSION OF THE STATE OF QATAR TO THE MARRAKESH AGREEMENT ESTABLISHING THE WORLD TRADE ORGANIZATION

The World Trade Organization (hereinafter referred to as the "WTO"), pursuant to the approval of the General Council of the WTO accorded under Article XII of the Marrakesh Agreement Establishing the World Trade Organization (hereinafter referred to as "WTO Agreement"), and the State of Qatar,

Recalling that certain contracting parties which became contracting parties to the GATT 1947 during the course of 1994 were unable to complete the negotiations on their schedules to the GATT 1994 and the General Agreement on Trade in Services (hereinafter referred to as the "GATS"),

Recalling further that the General Council decided on 31 January 1995 that these contracting parties to the GATT 1947 should be able to accede to the WTO Agreement in accordance with special procedures under which the General Council's approval of the schedules to the GATT 1994 and the GATS shall be deemed to be the approval of their terms of accession,

Noting that the negotiations on the schedules of the State of Qatar have been completed,

Agree as follows:

Part I - General

1. Upon entry into force of this Protocol, the State of Qatar accedes to the WTO Agreement pursuant to Article XII of that Agreement and thereby becomes a Member of the WTO.

2. The WTO Agreement to which the State of Qatar accedes shall be the WTO Agreement as rectified, amended or otherwise modified by such legal instruments as may have entered into force before the date of entry into force of this Protocol. This Protocol shall be an integral part of the WTO Agreement.

3. (a) Those obligations in the Multilateral Trade Agreements annexed to the WTO Agreement that are to be implemented over a period of time starting with the entry into force of that Agreement shall be implemented by the State of Qatar as if it had accepted that Agreement on the date of its entry into force.

(b) Those notifications that are to be made under the Multilateral Trade Agreements annexed to the WTO Agreement within a specified period of time starting with the date of entry into force of the WTO Agreement shall be made by the State of Qatar within that period of time starting with the date on which it accepts this Protocol or by 31 December 1996, whichever is earlier.

Part II - Schedules

4. The Schedules annexed to this Protocol shall become the Schedule of Concessions and Commitments annexed to the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as the "GATT 1994") and the Schedule of Specific Commitments annexed to the GATS relating to the State of Qatar. The staging of concessions and commitments listed in the Schedules shall be implemented as specified in the relevant parts of the respective Schedules.

5. For the purpose of the reference in paragraph 6(a) of Article II of the GATT 1994 to the date of that Agreement, the applicable date in respect of the Schedules of Concessions and Commitments annexed to this Protocol shall be the date of entry into force of this Protocol.

Part III - Final Provisions

6. This Protocol shall be open for acceptance, by signature or otherwise, by the State of Qatar until 90 days after its approval by the General Council.

7. This Protocol shall enter into force on the thirtieth day following the day of its acceptance.

8. This Protocol shall be deposited with the Director-General of the WTO. The Director-General of the WTO shall promptly furnish a certified copy of this Protocol and a notification of acceptance thereto pursuant to paragraph 6 to each member of the WTO and to the State of Qatar.

9. This Protocol shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva this fifteenth day of November one thousand nine hundred and ninety-five, in a single copy in the English, French and Spanish languages, each text being authentic, except that the Schedules annexed to this Protocol are authentic only in the English language.

Appendix 2: - Negotiations on Environmental Goods: Efficient, Lower – Carbon and Pollutant-Emitting Fuels and Technologies.
- Committee on Trade and Environment Special Session: Negotiating Group on Market Access.

WORLD TRADE ORGANIZATION

TN/TE/W/19
TN/MA/W/24
28 January 2003
(03-0583)

Committee on Trade and Environment
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NEGOTIATIONS ON ENVIRONMENTAL GOODS: EFFICIENT, LOWER-CARBON AND POLLUTANT-EMITTING FUELS AND TECHNOLOGIES

Submission by the State of Qatar

Paragraph 31 (iii)

I. INTRODUCTION

1. In view of the structure adopted by the Trade Negotiations Committee and the subsequent responsibilities entrusted with the Committee on Trade and Environment in Special Session (CTESS) and the Negotiating Group on Market Access (NGMA), this paper is submitted for consideration by both the CTESS and the NGMA.

2. In the initial communication by the State of Qatar to the Third Meeting of the CTESS (TN/TE/W/14), we emphasized the necessity of compilation of definitions and classification for environmental goods and services by the CTESS. Although the work conducted by the OECD and APEC is a useful contribution to the negotiation on environmental goods, it must be considered as a basic framework that requires further comprehensive elaboration and coverage.

3. A clear methodology capable of defining and assessing the scope and characteristics of environmental goods and technologies is a fundamental necessity for their compilation and for enhancing the negotiations by the NGMA and the CTESS on the eligibility of the concession list of environmental goods, technologies and services.

II. DEFINITION OF ENVIRONMENTAL GOODS

4. It is essential that the specific environmental protection end-use criteria adopted in selecting particular environmental goods, technologies or services are clearly identified. Inherent environmental and wider sustainable development benefits that warrant the inclusion of these goods and technologies in the concession list subject to negotiation by the CTESS and the NGMA must be demonstrated as accurately as possible. This will lead to better classification and ranking of the environmental goods, technologies and services. Moreover, it will enhance the synergies and mutual supportiveness between MEAs and the WTO and strengthen their complementary benefits to sustainable development particularly for developing countries.

III. EFFICIENT, LOWER-CARBON AND POLLUTANT-EMITTING FUELS AND TECHNOLOGIES

5. Identification and evaluation of the merits of environmental goods, technologies and services in relation to MEAs are important steps in order to define the scope and eligibility of these goods and services for trade liberalization negotiations by the WTO.

6. In the previous submission by the State of Qatar to the third Meeting of the CTESS, we recommended that combined-cycle natural gas fired generation systems and advanced gas-turbines systems, known for their energy efficiency and sustainable development potential, be included in the list of environmental goods.

7. This paper attempts to define and assess the economic and environmental merits of these systems and other related efficient lower-carbon and pollutant-emitting fuels and technologies. Table 1 contains a list of the proposed goods and technologies and their merits. Although the assessments for these systems were made with reference to standard technologies and products, there is no question as to their significance in relation to MEAs and sustainable development. We propose that the list in Table 1 be included in the OECD illustrative categories of environmental goods, Section B relating to cleaner technologies and products.

IV. RATIONALE FOR TRADE LIBERALIZATION

8. Emission of greenhouse gases (GHGs) due to combustion of fossil fuels is believed to be the primary cause of the observed global climate change. A principal target of the United Nations Framework Convention on Climate Change (UNFCCC) is, LIST OF PROPOSALS submitted under paragraph 31 (i) of the Doha declaration therefore, the gradual shifting of global energy systems from carbon intensive energy sources to carbon-free renewable energy sources in order to reduce the emission and build-up of GHGs in the atmosphere. Since renewable energy sources will be unable to meet most of the global energy demand for some time, natural gas and other related cleaner fuels, e.g. cryogenic and chemical gas to liquid fuels derived from natural gas, are an essential bridge to a carbon-free era.

9. Synergism between natural gas and renewable energy sources already exists. Hybrid systems utilizing natural gas fired generating units provide backup power for intermittent renewable technologies such as photovoltaic and wind in order to enhance their value. A simple cycle gas turbine and wind farm achieve a combined capacity factor as high as 75%.

10. Hybrid renewable energy sources and natural gas are also linked through their role in a renewable hydrogen economy. Currently most hydrogen is manufactured using natural gas. Since hydrogen can be stored, it frees intermittent renewable energy technologies from reliance on backup power from conventional energy sources. For similar reasons it provides a clean energy source for the transportation sector. It is anticipated that natural gas will, most likely, provide the initial source for any large-scale penetration of hydrogen into the global energy market.

11. According to the IEA global energy outlook, natural gas is the second fastest growing energy source after non-hydro-renewables (geothermal, solar, wind, tide, wave energy, biomass and waste). Although projected to be the fastest growing primary energy sources over the outlook period, renewable energy sources' share of the global energy market will only be 3% by 2020 compared to the current value of 2%. On the other hand, global demand for natural gas is projected to increase steadily, reaching a share of 26% in 2020 compared to 22% today.

12. Natural gas has been recognized in the Kyoto Protocol negotiations as part of the solution to stabilize greenhouse gases in the atmosphere. Implementation of articles 4.8 and 4.9 of the convention and articles 3.2 and 3.14 of the Kyoto Protocol has the following paragraph: Paragraph (31): *"Encourages Annex-II Parties to promote investment in, and to support and cooperate with, developing country parties in the development, production, distribution and transport of indigenous, less greenhouse gas emitting, environmentally sound, energy sources including natural gas, according to the natural circumstances of each of these parties".* The IPCC Assessment Reports have recommended increased use of natural gas over other fossil fuels as a way to reduce greenhouse gas emissions.

13. Assessment results of the potential merits of the proposed list of environmental goods and technologies (Table 1) show that their relative merits, compared to standard fuels and technologies, are substantial and broader when viewed within the perspective of multilateral environmental agreements (MEAs). They offer, in addition to climate change mitigation opportunities, a wide range of sustainable development socio-economic benefits including: (i) higher energy efficiency; (ii) reduced toxic air pollution emissions and waste generation; (iii) improved air quality conditions and decreased adverse environmental impacts on human health, human welfare and on biodiversity. The broad range of benefits offered by the combination of lower-carbon and pollution-emitting fuels and technologies are primarily due to the intrinsic chemical and physical characteristics of natural gas and its cryogenic and chemical gas to liquid derivatives which are virtually free of sulphur, nitrogen, aromatics and ash content. These properties, in addition to lower carbon content, result in the superior environmental performance of these fuels when combined in use with available advanced energy technologies.

V. TRADE BARRIERS

14. The reduction or elimination of tariffs on the global trade of efficient lower-carbon and pollutant-emitting fuels and technologies is an important step to lower their cost and enhance their global diffusion. In addition, non-tariff barriers (NTB) are serious impediments to global trade in these goods.

15. The current energy-related fiscal measures and policies concerning imports to developed countries are distorted. They do not clearly reflect the large economic benefit and wider sustainable development merits resulting from enhanced utilization of efficient lower-carbon and pollutant-emitting fuels and technologies such as natural gas. Progressive phasing out of market imperfection e.g. subsidies, fiscal incentives, tax and duty exemptions in all pollution emitting sectors is imperative. Restructuring of the carbon tax to reflect the carbon and pollutant contents of fuels is also important in order to realize the objectives of global environmental protection and sustainable development, particularly for the developing countries.

16. Energy Market Liberalization is economically beneficial through the efficiency gains within the existing systems and through enhanced technological dynamism.

VI. CONCLUSION

17. Efficient, lower-carbon and pollutant-emitting fuels and technologies have wider sustainable development merits that include socio-economic and environmental benefits, climate change mitigation potential, improved fuel efficiency and reduced adverse impacts to human health. An assessment of these advantages, for a selection of environmental goods and technologies, is presented in Table 1.

18. The State of Qatar proposes the inclusion of these items, as summarized below, in the OECD list of environmental goods and technologies, Section B on cleaner technology and goods.

19. The merits of this proposal are sound. It is sincerely hoped that the discussions by the CTESS and NGMA will lead to trade liberalization of these efficient lower-carbon and pollutant-emitting fuels and technologies, leading to subsequent improvements in the availability and affordability of these products in the global energy market.

GTL Diesel (HS Code 2710.00.710)

GTL Naphtha (HS Code 2710.00.431)

GTL Jet Fuel (HS Code 2710.00.510)

GTL Lube Oils (HS Code 2710.00.910)

GTL Methanol (HS Code 2905.11.000)

GTL Dimethyl Ether (HS Code 2909.11.000)

3. With respect to the Natural Gas Fuel Cell Technologies (e.g. Fuel Cell Power Plants, Residential Fuel Cells, and Commercial Fuel Cells), the State of Qatar has requested the information from the World Customs Organization and is still awaiting a response.

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Contents	Paragraph 12 should read as follows: "12. Natural gas has been recognized in the Kyoto Protocol negotiations as part of the solution to stabilize greenhouse gases in the atmosphere, Decision -/CP.7 of the Marrakesh Accords on the implementation of articles 4.8 and 4.9 of the United Nations Framework Convention on Climate Change (UNFCCC) and articles 2.3 and 3.14 of the Kyoto Protocol states in paragraph 31 "Encourages Annex II Parties to promote investment in, and to support and cooperate with, developing country parties in the development, production, distribution and transport of indigenous, less greenhouse gas emitting, environmentally sound, energy sources including natural gas, according to the natural circumstances of each of these parties" (The Marrakesh Accords and the Marrakesh Declaration, UNFCCC.int/COP7/documents/Accords_draft). The IPCC Assessment Reports have recommended increased use of natural gas over other fossil fuels as a way to reduce greenhouse gas emissions."
Subjects	TRADE AND ENVIRONMENT ; MARKET ACCESS ; TRADE LIBERALIZATION ; TRADE NEGOTIATIONS

Countries	Qatar
WTO Bodies	Committee on Trade and Environment ; Negotiating Group on Market Access
Articles	
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French Title	Comité du commerce et de l'environnement - Session extraordinaire - Groupe de négociation sur l'accès aux marchés - Négociations sur les biens environnementaux: combustibles et technologies efficients à faible émission de carbone et de polluants - Communication de l'État du Qatar - Paragraphe 31 iii)
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Contents	I. Introduction. II. Definition of environmental goods. III. Efficient, lower-carbon and pollutant-emitting fuels and technologies. This paper attempts to define and assess the economic and environmental merits of combined cycle natural gas fired generation systems and advanced gas-turbines systems and other related efficient lower-carbon and pollutant-emitting fuels and technologies. IV. Rationale for trade liberalization. V. Trade barriers. VI. Conclusion.
Subjects	TRADE AND ENVIRONMENT ; MARKET ACCESS ; TRADE LIBERALIZATION ; TRADE NEGOTIATIONS
Countries	Qatar
WTO Bodies	Committee on Trade and Environment ; Negotiating Group on Market Access
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Organizations	
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Spanish Title	Comité de Comercio y Medio Ambiente - Sesión Extraordinaria - Bienes ecológicos - Comunicación del Estado de Qatar - Apartado iii) del párrafo 31
Contents	I. Background. II. Proposal of energy sector. III. Category of suggested environmental goods and technologies. IV. Recommendation
Subjects	TRADE NEGOTIATIONS ; TRADE AND ENVIRONMENT
Countries	Qatar
WTO Bodies	Committee on Trade and Environment
Articles	
Organizations	
Products	
Meeting date	
References	
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Document Types	Communication ; Proposal

Appendix 3: WTO: Trade Policy Review, Report on Qatar.

WORLD TRADE ORGANIZATION

RESTRICTED

WT/TPR/S/144
24 January 2005

(05-0185)

Trade Policy Review Body

TRADE POLICY REVIEW

QATAR

Report by the Secretariat

This report, prepared for the first Trade Policy Review of Qatar, has been drawn up by the WTO Secretariat on its own responsibility. The Secretariat has, as required by the Agreement establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), sought clarification from Qatar on its trade policies and practices.

Any technical questions arising from this report may be addressed to Messrs. Ricardo Barba (tel: 022/739 50 88; fax: 022/739 57 65) and Jacques Degbelo (tel: 022/739 55 83).

Document WT/TPR/G/144 contains the policy statement submitted by Qatar.

Note: This report is subject to restricted circulation and press embargo until the end of the first session of the meeting of the Trade Policy Review Body on Qatar.

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SUMMARY OBSERVATIONS

(1) THE ECONOMIC ENVIRONMENT

1. Qatar's development strategy, together with high international crude oil prices since mid-1999, has resulted in an impressive economic performance in the past few years. Its real GDP growth rate rose from an annual average of 1.3% during 1986-95 to around 9% over the period 1996-03. Steps taken by Qatar towards monetary and fiscal discipline contributed to reducing inflation to 2.5% in 2003 from a peak of 8.8% in 1996. Largely due to increased oil and natural gas earnings, the external current account has recorded surpluses since 1999 (estimated at 20% of GDP in 2003), as has the Government's overall fiscal balance since fiscal year 2000/01 (5.3% of GDP in 2003/04). Nevertheless, despite Qatar's diversification efforts, in 2003, oil and gas accounted for 56.1% of its GDP, around 70% of public revenue, and almost 90% of total merchandise export earnings.

2. Qatar has invested in health, education, and infrastructure projects with a view to ensuring intergenerational economic equity in the exploitation of its non-renewable natural wealth. Qatar has been implementing measures to improve its business and investment climate, with the objective of further attracting foreign direct investment. The measures include establishment of a one-stop window for investment procedures, and the possibility offered to foreigners by the 2000 Investment Law to fully own companies in selected sectors (i.e. agriculture, industry, tourism, education, health, and natural resources). However, foreign companies remain excluded from investing in certain key activities (e.g. banking, insurance, and commercial representation), and are limited to 49% in other sectors. Such restrictions contrast with the relatively high share of foreigners in Qatar's labour force (70%). The Quality Qatarization programme aims to increase the share of qualified Qatari nationals to 50% of the total labour force in the energy and industry sectors by the end of 2005.

3. Qatar's external debt is still manageable despite its surge from US$9,323 million (82.5% of GDP) in 1997 to US$15,035 million (75% of GDP) in 2003. Pegged to the U.S. dollar, the Qatar riyal, the national currency, has remained fairly stable in real terms. Qatar's relatively high ratio of merchandise trade to GDP (some 87% in 2003) reflects the importance of trade to its economy. In contrast with its merchandise exports, which are dominated by oil and gas, its imports are quite diversified both in terms of products and their origins. Qatar is a net services importer, although the services sector, dominated by public administration services, accounts for about 30% of GDP and employs 65% of the labour force.

(2) INSTITUTIONAL FRAMEWORK

4. The Ministry of Economy and Commerce (MEC) formulates, administers, and coordinates Qatar's trade policies. Depending on the nature of the issue, the MEC consults with relevant ministries and other institutions that also take part directly or indirectly in foreign trade policy formulation and/or implementation. The private sector provides inputs to trade policy formulation by communicating its views either directly to the MEC or through the Qatar Chamber of Commerce and Industry, Qatar's trade association. The National Committee on WTO Affairs discusses and assesses WTO-related issues.

5. Spurred by WTO provisions, Qatar enacted new laws, in 2002, on patents, copyrights and neighbouring rights, trademarks, geographical indications, and industrial designs; laws on topography of integrated circuits and undisclosed information are being prepared. Qatar has no competition legislation, nor laws and/or regulations on anti-dumping, subsidies and countervailing measures, and safeguards.

6. A contracting party to the GATT since 7 April 1994, Qatar became an original Member of the WTO on 13 January 1996. It grants at least MFN treatment to all its trading partners. Qatar has difficulties in implementing some of its multilateral trade commitments, and in meeting some of the notifications required by certain WTO Agreements. It is neither a signatory nor an observer to any of the WTO's plurilateral agreements. Qatar has not been involved in any dispute under the WTO Dispute Settlement Mechanism, either directly or as a third party.

7. Qatar is a member of the Gulf Cooperation Council (GCC), of which the customs union component became effective as from 1 January 2003. In the context of the GCC, negotiations for a trade agreement are continuing with the European Communities, and a possible trade agreement is also under discussion with China. Qatar is also a member of the Greater Arab Free-Trade Area (GAFTA) in which all six States of the GCC participate. Qatar is considering negotiating bilateral trade agreements with the United States and with Singapore.

(3) TRADE POLICY INSTRUMENTS

8. Qatar has applied the GCC common external tariff (CET) since 1 January 2003. The adoption of the CET by Qatar increased its simple average applied MFN tariff from 4.2% in 2002 to 5.2% in 2004. Ad valorem tariffs account for 99% of total lines, the others being alternate duties. MFN applied tariffs average 7.1% on agricultural products (WTO definition), and 4.8% on non-agricultural products. Using the ISIC (Revision 2) definition, manufacturing, and mining and quarrying are granted almost the same average tariff protection (5.3% and 5%, respectively).

9. All of Qatar's tariff lines are bound, generally at ceiling rates. The average bound tariff is 16%, leaving Qatar margins for applied tariff increases. Furthermore, the imposition of non-ad valorem tariffs (1% of total tariff lines) may not ensure compliance by Qatar with its binding commitments made at ad valorem rates. In addition, the applied MFN rate is 5% on 32 tariff lines at the HS eight-digit level (certain organic chemicals), on which the tariffs were bound at zero. Qatar has never taken any anti-dumping, countervailing or safeguard actions. Various incentives (e.g. duty and tax concessions) are granted (including on a selective basis) to, inter alia, attract investment, encourage economic diversification through processing of locally produced goods, and promote exports.

10. Qatar is yet to implement the WTO Agreement on Customs Valuation. Documentation for all imported products must be authenticated by the Qatari Embassy in the country of origin. Permits may be issued to allow importation of prohibited goods. Import controls are applied on sanitary, phytosanitary, and Islamic grounds, by means of certificates. Parallel imports of certain products are subject to a 5% commission (on the f.o.b. value) on behalf of local agents with distributor rights. Qatar does not have export finance, insurance, guarantees, or promotion programmes. Its public procurement regime provides for 10% and 5% price preferences for local and GCC products, respectively. Qatar faces some difficulties in enforcing its TRIPS legislation.

11. Key industries (e.g. energy, transport, and telecommunications) remain dominated by public companies. Some of these are sheltered from competition and/or represent a drain on public revenue. Products/services under the areas of activity of public enterprises are generally subject to price controls. Recognizing the need to increase efficiency, reduce the pressure on public resources, and increase the participation of the private sector in the economy, a privatization programme is in progress in some areas, including gas transport, steel, and fertilizer industries, as well as in certain services subsectors.

(4) SECTORAL POLICIES

12 Despite its very small and decreasing share of GDP (0.3% in 2003), agriculture is *an important sector in the economy because of Qatar's food security objective. Qatar is a net importer of agricultural products, and food security is mainly promoted through relatively low customs tariffs. The Government assists farmers by offering them basic infrastructure (e.g. drainage and irrigation facilities), and free inputs, such as pesticides, natural fertilizers, veterinary services, and vegetable seeds.*

13. Qatar Petroleum (QP), a state-owned company, holds the monopoly for oil and natural gas activities in Qatar, albeit increasingly in cooperation with foreign enterprises through joint-ventures. QP is pursuing an intensive exploration drive to increase the lifetime of its reserves, and broaden its production capacity. Qatar has the world's second largest proven reserves of natural gas (14.3% of the globe's total), and it aims to become the largest liquefied natural gas (LNG) producer in the world by 2010. It is also building the largest gas-to-liquids (GTL) plant. Qatar is expanding its electricity network and modifying the distribution management system in order to meet its growing demand.

14. Qatar's manufacturing sector (6.7% of GDP) is based mainly on its comparative advantages in gas-intensive industries. The Government holds a majority stake or is an important shareholder in major manufacturing companies (e.g. steel, cement, and fertilizers). The sector is being promoted partly through investment incentives, including exemption from import duties, and tax holidays for 5-10 years. Alcoholic beverages, and tobacco and tobacco products are subject to the highest tariff rate of 100%.

15. The services sector is dominated by several state-owned companies, some of which are a monopoly, or hold exclusive rights (e.g. telecommunications, postal services, and air transport). Under the General Agreement on Trade in Services, Qatar made commitments in some services categories; it does not maintain MFN exemptions under Article II of the GATS. Despite the presence of a significant foreign working population, Qatar made no commitments on the movement of natural persons under the GATS, except for entry and temporary stay of managers, specialists, and skilled technicians. Presence of foreign natural persons as self-employers is not allowed.

(5) TRADE POLICY AND TRADING PARTNERS

16. Qatar is a strong supporter of the multilateral trading system, having hosted the fourth Ministerial Conference where the Doha Development Agenda (DDA) was launched. Moreover, with few exceptions, Qatar's market for all products is quite open, and the bulk of its trade has been liberalized on an MFN basis. However, Qatar needs to bring some elements of its trade regime more up to date and into greater conformity with WTO provisions. Continued reforms, including on tariffs and privatization, and further improvement of Qatar's multilateral commitments, both on goods and services, would contribute to better resource allocation, and increase the predictability of its trade regime.

17. Increasingly, a key element in Qatar's reform process relates to full economic integration under the GCC, including the planned establishment of the monetary union by 2007. Qatar's membership in the GCC has contributed to GDP growth by improving competition in the economy, but has also detracted it from multilateral efforts, given the increased demand on its limited administrative and negotiating resources. Qatar's future trade agreements, both at the GCC level and bilaterally, could further complicate this situation. It is therefore important to consider the potentially greater advantages of further market opening on a multilateral basis. Trading partners could help by ensuring that their markets are fully open to goods produced in Qatar, and by providing more technical assistance.

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WORLD TRADE ORGANIZATION

Trade Policy Review Body

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TRADE POLICY REVIEW

Report by

QATAR

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Qatar is attached.

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I. OVERVIEW

The State

1. The Qatari Constitution provided for the requirements of the three organs of the state namely; the Executive, Legislative and the Judiciary. Each organ is independent of the other. The executive branch of the government is headed by the Emir and acts through the Ministerial Council headed by the Prime Minister. The Emir holds both Executive and Legislative power with the assistance of the Council of the Ministers and the Advisory Council. The Constitution entrusts the Advisory Council with the legislative power and supervision of Executive branch and the approval of the general budget. The Constitution also provides for the independence of the Judiciary from other organs of the state. The judiciary law has been passed (Law No [10] 2003) which unified the civil and Sharia branches of the judicial system under the supervision of the supreme judicial council and reiterates its independence in articles 2 and 23.

2. The Constitution embodied the basic principles of modern constitutions securing the fundamental rights of the people and their relationships with the government, amongst themselves and the relation of the government with the outside world.

3. An emerging process of democratization and development has already started with a clear vision of what is required to integrate in the various systems of globalization. This is evident in the election systems for both the Advisory Council and the Doha Municipality and the commitment and resolve of the political leadership to encourage public participation in that respect.

4. Various inter-governmental councils and committees are established to coordinates and follow up these developmental programs and projects. For this purpose the government has established planning council to overseas inter-governmental programs in each ministry. All these point to the aforementioned commitment and its underpinning clear vision.

II. ECONOMIC ENVIRONMENT

(1) MAJOR FEATURES OF MICROECONOMIC POLICY

5. The goal of Qatar's economic policy is to achieve sustainable economic growth in partnership with the private sector. The main objectives of Qatar economic policy are: promote economic growth, increase the economy's resilience and competitiveness, diversify the economy, create the right investment climate, strengthen the private sector and increase its role in the economy.

6. The main elements of Qatar Economic policies are: The liberalization of the economy and trade; reduction of tariffs and removing restrictions in line with its commitment to WTO, increasing and diversifying exports; creating better access to world markets, enhancing trade cooperation by signing bilateral economic, commercial and technical co-operation agreements; establishing free trade areas, customs union with GCC countries and negotiating free trade agreements (FTAs).

7. Qatar's GDP growth has been rapidly rising in recent years, averaging 14.7% over the past five years, with the increased of the LNG and related industries providing for the overall positive trend in GDP growth. In 2003 the GDP grew by 3.8% compared to marginal growth of 0.8% in 2002. In 2003, the Oil & Gas sector increased by 12.9%, while the non-oil sector have increased by 3.2%.

8. The fluctuation of oil price, as well as decreasing of oil reserves, has led the Government to exploit Qatar's significant reserves of natural gas and to promote investment in the non-oil sector of the economy. With the recent development of projects to produce and export Natural gas in the form

of LNG, piped gas, GTL and investments in petrochemical and fertilizers industries, Qatar has been successful in diversifying its revenue base by reducing its historic dependence on oil exports revenues. Although economic performance is still largely dependent on oil revenues, the contribution of LNG has increased significantly over the past few years. The share of the oil and gas sector in over all GDP stood at 56.0% in 2001, 57.6% in 2002 and preliminary estimates put it at 59.8% in 2003.

9. The budget of 2004 – 2005 compared to last year budget shows 44% increase in the allocation to public projects in areas like health, education, housing, sanitation and infrastructure. As for the infrastructure, the Government's priority areas are electricity, water, roads, sewage system and transport.

10. Privatization Program: A number of public enterprises have been privatized (QTEL). Qatar Petrochemical Company (QAPCO), Qatar Steel Company (QASCO), Qatar Fertilizers Company (QAFCO). Government has contracted out the provision of certain public services (Airport and the public authority of tourism awarded to Qatar Airways). Structure capital market encouraging investment and privatization programme.

11. To share this with the future generation, Qatar has created a number of funds which may be listed as follows:

- Oil stabilization fund;
- Qatar foundation fund;
- Housing fund;
- Land and industrial fund; and
- Government reserve.

(2) FISCAL POLICY

12. Given the structure of the domestic economy in Qatar, Fiscal Policy has had an overwhelming impact on the domestic economy. However, with the successful expansion of oil & gas output, the economy has moved away from virtually total reliance on fiscal policy as the source of effective demand.

13. Fiscal policy plays a multi-faceted policy role with a balancing act required between the various objectives, as:

- It still represents a major share of total effective aggregate demand;
- It is one of the main tools used to achieve optimum utilization of natural resources;
- It is the first line of defence in countering the economic impact of volatile international oil prices;
- It is the primary policy tool used to raise the standard of living in Qatar; and
- Given the small size of the private sector, it is the source of infrastructure development.

14. Fiscal policy has evolved dramatically to cope with the challenges presented by globalization, the volatility in oil prices, etc. For instance, an 'oil stabilization fund' has been set up. This fund has the sole objective of helping to insulate the Qatari economy from volatile movements in international oil prices. A unique principle in the operational procedures of this fund is that the Stabilization fund will buffer the economy against low oil prices by being drawn upon to maintain budgetary targets, but that the funds drawn upon will be deemed to have been lent to the budgetary authorities rather than being direct transfers. This will ensure that the Stabilization fund will be a source of 'last lender' for the budget.

15. In order to ensure a smooth development of the health and education sectors, special funds have been established so that fiscal policy tightening does not lead to adverse impact on these important aspects of the economy.

16. To achieve this two separate funds have been set up:

- The Qatar Foundation Fund (QFF): the main objective of the QFF is to finance higher education in Qatar. Part of its objective is that this higher education must be of an internationally respected standard. To this end, QFF has entered into affiliations with some of the most respected educational institutions.

- The Health and Education Fund (HEF): the HEF has only been set up this year, and its objectives are clearly to invest in further improving the level of healthcare and primary education in the country.

17. The primary source of revenue for the national budget is of course the oil and gas activities of Qatar Petroleum (QP). The Ministry of Finance receives royalties and tax revenues on export sales of crude oil, refined products and gas products. Since the government has a direct and indirect ownership interest in QP other industrial enterprises, it receives a dividend from these like any investor would. Non-oil revenues are not inconsequential, and include custom duties and public utility fees.

18. Preliminary data for the fiscal year 2003/04 indicates that the national budget recorded a surplus of over QR 3bn., with total expenditure of about QR 27bn., being offset by revenues of about QR 30.7bn. The main items of expenditure were wages and salaries of government employees, and development of the infrastructure. The budget for 2004/05 envisages total revenues of QR 26.2bn and total expenditure of QR 28.4bn. This implies a budgeted deficit of QR 2.2bn for 2004/05.

19. However, the national budget is set with very conservative assumptions, including those of oil prices. As such, barring a substantial collapse in oil prices from current levels, it would be surprising if the outcome for 2004/05 is not a surplus once again. This highlights one of the key aspects of fiscal policy in Qatar, that of setting and following a prudent and conservative fiscal policy in order to safeguard the economy from being jolted by global volatility.

(3) MONETARY POLICY

20. Since its establishment in 1993, the Qatar Central Bank (QCB) has inherited its monetary strategy of exchange rate targeting from Qatar Monetary Agency. The fixed parity between the United States Dollar (USD) and the Qatari Riyal (QR) at the rate of QR 3.64 per dollar was the inherited nominal anchor, which is still effective. The de facto exchange rate targeting monetary policy regime as well as the target peg has been de jure authorized by an Amiri decree issued in July of 2001. The heritage has been constantly honoured and the target peg has always been highly credible. Equally, QCB monetary policy has had to be subordinated to its exchange rate policy, where sustaining equilibrium in the domestic USD exchange market at the fixed exchange rate is the primary objective of the monetary policy drawn and implemented by the QCB. Thus, QCB monetary policy is necessarily accommodative. Appropriately the QCB endeavours to strengthen the monetary stability in the country via stabilizing domestic interest rates. Therefore, QCB utilizes alternative monetary instruments at its disposal to maintain short-run interest rate on QR determined by QCB, such that changes in domestic interest rates are synchronized with developments in the interest rates on the USD and the other major currencies. Within this policy framework, the QCB endeavours to regulate

primary liquidity in the banking system, so as to maintain monetary stability and the stability of domestic price levels.

21. There are three monetary instruments to influence domestic liquidity, these are as follows: the Qatar Money Market Rates, the Repurchase Transactions, and the Required Reserve Ratio.

(i) Qatar Money Market Rates (QMR)

22. Under the QMR mechanism; which started at the beginning of the second quarter of 2002, QCB extends overnight lending to, and accepts overnight deposits from local banks subject to formal ceilings and interest rates determined by QCB. Both borrowings and deposits are extendable to next day-rollover where transactions are electronically executed. QCB sets initial interest rates on lending and deposits transactions at the beginning of each business day. Henceforth, the path of each rate over the course of the day is influenced by the evolving conditions of the primary liquidity in the banking system. As such, the QMR mechanism is a flexible standing facility. These facilities are characterized by: (1) they are used at the initiative of the individual banks; and (2) carry preannounce interest rates (though flexibly adjustable).

(ii) Repurchase Transactions (Repo)

23. Repurchase Agreement takes the form of purchase and repurchases transactions (Repo). These comprise the purchase of financial assets by the central bank under a contract providing for their repurchase at a specified price on a given future date and are used to supply liquidity. This monetary market instrument was adopted by the QCB starting 2000 for the purposes of influencing liquidity levels within the banking system, hence influencing interest rates on deposits and credit facilities.

24. Repurchase Agreement Repo's are conducted by QCB in domestic government securities, that is, loans backed by domestic financial assets. Repurchase Agreement rate is the implicit interest rate determined by QCB for local banks to repurchase the government securities that they have previously sold to QCB with precommitment to repurchase by the end of the repurchase period (limited to two weeks or one month in accordance with circular No. 49 for 2002.).

(iii) Required Reserve Ratio (RRR)

25. The Required Reserve Ratio (RRR) is utilized by QCB for monetary and prudential purposes. The RRR was set at 2.75% by the QCB for all types of deposits since 2000. The ratio is computed on basis of the daily average of the total deposits with the bank. The required reserves deposits are unremunerated by the QCB.

26. The currency of Qatar is the Qatari Riyal. It is pegged at the rate of 3.64 for one US dollar.

(4) DOHA SECURITIES MARKET (DSM)

27. The DSM functions under the supervision of the Ministry of Economy and Commerce and is now subject to a major restructuring process; legal, administrative and operational. A law for these purposes has been prepared.

(5) INVESTMENTS

28. The commitment of Qatar to development and its vision in that respect goes without saying. The manifestations of this can be seen in:

- Building infrastructures, the various utilities and IT.

- Developing the natural resources, especially oil and gas products and by-products for investment purposes and starting various lines of production in these fields especially gas fuelled and hydrocarbon industries.

- Doing everything possible to attract investors to come to Doha as a suitable spot for their projects.

29. Part of this is done through legislation, chief among these is the Constitution, Judiciary law and the Law No [13] 2000 regulating the investment of foreign capital in economic activities and confers on investors the following privileges.

(i) Article (2)

30. Subject to the provisions of paragraph (3) of this Article, foreign investors may invest in all the sectors of the national economy provided that they have one or more Qatari partners whose share is not less than 51% of the capital, and provided that company is properly incorporated in accordance with the provisions of the Law.

31. Nevertheless, the Minister may issue a decree allowing foreign investors' share to exceed 49% up to 100% of the project's capital, in the sectors of agriculture, industry, healthcare, education, tourism, exploitation and development of natural resources, energy or mining provided that these projects are compatible with the development plans in the State and taking into account preference of projects that achieve optimal exploitation of the available domestic raw materials, export industries or industries that provide new products or use modern technology, projects that settle globally well-known industries, and projects that take interest in national cadres and their rehabilitation.

32. The foreign investments referred to in paragraphs (1) and (2) are not allowed to invest in the banking sector, insurance companies, commercial agencies and the purchase of real estate. According to Law (31) 2004 investment in banking and insurance may be authorized by a decisions of the Council of Ministers.

(ii) Article (7)

33. The ministry may:

- Exempt the foreign capital invested in sectors referred to in Article 2 of this Law from income tax for a period not exceeding 10 years starting from the date of operating the investment project;

- Exempt the foreign investment projects from customs with respect to the needed imported equipment and machinery for its establishment; and

- Exempt the foreign investment projects in industry from customs with respect to imported raw materials and semi-manufactured products necessary for the production, which are not available in the domestic markets.

(iii) Article (8)

34. The foreign investments shall not be subject, either directly or indirectly, to expropriation or any measure with similar effect, unless it is done in the public interest and in a non discriminatory manner, and in return for a speedy and appropriate compensation in accordance with legal procedures and the general principles referred to in paragraph 2 of this Article.

35. Compensation shall be equivalent to the real economic value of the expropriated investment at the time of expropriation or of its announcement. Such compensation shall be assessed on the basis of normal economic situation and prior to any threat of expropriation. The due compensation shall be paid without delay and shall enjoy free transfer. This compensation shall be subject to interest, calculated on the basis of the prevailing rate in the State, until date of payment.

(iv) Article (9)

36. Foreign investors are free to make all transfers related to their investment, into and out of the country without any delay. These transfers include:

- Investment returns;
- Proceeds resulting from selling or liquidating the whole or part of the investment;
- Proceeds resulting from the settlement of investment disputes;
- Compensation referred to in Article 8 of this Law; and
- Transfers are affected in any convertible currency at the rates prevailing on the date of the transfer.

(v) Commercial Agencies Law

37. Though most foreign companies are required to engage a local agent except where the company is authorized to have 100% ownership however, according to the law any person can import a commodity in respect of which there is an exclusive agency subject to payment of 5% of commodity value to the exclusive agent.

(vi) Land

38. In addition to the acquisition of lands provided for in Article (5) of Law (13) 2000, at a nominal price, Law No 17 for 2004 authorizes the council of ministers to designate lands within the Khaleej Island, West bay lagoon (Lake) and Al-Khor resort to be allotted to foreign investors in accordance with the terms, conditions and procedures provided by the council of ministers.

39. Residential plots are designated and allotted in the same way. The title in each case is 99 years renewable

(vii) Corporate income tax

40. Qatari's are exempted from this and it does not apply to foreign companies which pay between 5% and 35% of their net profit as income tax.

III. TRADE POLICY

(1) Trade Legal Framework

41. The main Legal and regulatory policies are to: develop sustainable pragmatic and transparent laws and regulations; develop legal regulatory frameworks to include:-company licenses, registration and certification procedures, market supervision, consumer protection, introduce legislation promoting competition, as well as local and foreign investment.

42. The Legal Framework for Trade comprises the following laws:

- Commercial Agency Law (No. (8) 2002);
- Commercial Companies Law (No. (5) 2002);
- Customs Law (No. (40) 2002);
- Intellectual Property Law (No. (7) 2002);
- Gov. Procurement Law (No. (08) 1976);
- WTO Agreement (Decree No. (24) 1995);
- Foreign investments Law No. 13 of 2000;
- Intellectual property Law No. 7 of 2002;
- Consumer protection Law No. 40 of 1988; and
- Tax Law, Customs Law, Agency Law.

(2) Trade Liberalization

43. As far as tariffs are concerned the Law No [41] of 2002 set the tariffs rate at 5% which applies indiscriminately (except) in relation to members of the GCC. This meets the liberalization commitment of Qatar as far as tariff barriers are concerned. Improvements in other fields would require the provision of assistance, capacity building and sufficient time for that to bring about the required results. Debates and discussion regarding the application of article VIII and X of WTO Agreement are good examples to illuminate difficulties generally facing developing countries in this regard. Discussions and difficulties experienced by members of developed countries regarding the application of this article well illuminate the difficulties confronting developing countries in the south in this regard.

(3) Import and Export Regulation

44. The main purpose of Customs Law is to confirm: (1) simplicity; (2) transparency; (3) justice; (4) to ensure that this Law is in line with the provisions of the international agreements relating to customs. The amendments of this law included all articles related valuation of the goods according to the GATT agreement article VII of the WTO agreement. Procedures have been taken to insure the implementation of this article since 1/1/2002.

(i) Importing

45. Documents to be attached to the custom declaration:

- The custom declarations of the neighbouring countries for goods originating from them are exported through their ports or transiting through them by land to other countries;

- The sea bill of landing from the carrier or the ship's agent for goods that are imported through one of country's ports;

- The air way bill for goods that enter the country by air and statement of load for goods that are imported by road;

- Arab transit declaration for goods for goods that are imported from non-neighbouring Arab countries;

- The certificated purchase list (invoice) to include number of parcels, their type, signs numbers and the quantity of goods, their gross weight and net weight along with the name of consigner and consignee;

- Certified and valid certificate of origin duly prepared according to the provisions of law and origin regulations that are agreed upon with the frame work of economic and regional organization; and

- Application for taking out goods stored in free zones (for goods to be imported from free zone).

(ii) Categories of customs duties

46. Goods that exempted from customs duty:

- Goods exempted from customs duty according to the unified customs system law for the council states and which are exempted from the unified customs tariff for council states as greed by them; and

- Goods that are exempted from customs duty according to bilateral agreements with one of the council states. Such goods should not necessarily be exempted in other member states.

47. Other goods shall be subject to customs duty at the rate of 5%.

48. Custom duties for the import of tobacco and its derivatives are 100% of the cost provided that the duty should not be less than what is mentioned in appendix (1).

49. High customs duty goods: all kinds of alcoholic drinks (100%).

50. Protection duties now valid in Qatar shall be collected during a period of three years ending in 2005.

51. Types of goods that are subject to protection: iron from 10mm to 32mm – percentage of duty: 20%.

(iii) Exporting

52. Documents to be attached:

- Customs export declaration to be prepared by the export;
- Bill of landing from the approved shipping agent (if the goods are to be exported by air); or airway bill from the Airline Agent (if the goods are to be exported by air);
- The Manifest; and
- The Invoices of the goods concerned.

IV. OUTLOOK

(1) FREE-TRADE AGREEMENTS

53. In accordance with the principles and the objectives of the World Trade Organization and its emanated agreements, the State of Qatar, and since the mid-nineties, has been studying the opportunities to develop and to enhance economic cooperation and integration with different countries in different areas and regions aiming to establish mutual Free Trade Agreements with those countries.

54. A tangible progress was achieved in this prospect, bilaterally and collectively within the GCC countries, through the following major pivots:

- In **the Gulf Cooperation Council**, the State of Qatar has taken effective steps to deepen the cooperation among the members of the GCC. Such efforts resulted the establishment of the Custom Union by the beginning of the year 2003;

- Cooperation with **the Arab Countries**: Qatar correlates with those countries by several economic cooperation agreements like establishing the great Arab Free Trade Area gradually during a transitional period until 2008. Qatar contributed to the efforts to reduce that length of that period to be in 2005 instead;

- Cooperation with **the USA**: In preparation to establish Free Trade Area between the two countries, negations in March 2004 resulted signing a frame agreement to develop trade and investment relations. The agreement includes the establishing of a mutual council to carry out the following main tasks:

  - To monitor trade and investment relations, to identify opportunities for expanding trade and investment and to identify issues relevant to trade or investment that may be appropriate for negotiation in an appropriate forum;
  - To hold consultations on specific trade and investment matters of interest to the parties; and
  - To identify and work toward the removal of impediments to trade and investment flows;

- The cooperation with **the European Union**: Qatar participates actively in the ongoing negotiations between the GCC and the European Union to establish Free Trade Area between the two sides.

  - The detailed negotiations covered several axis like:

    - The exchange of industrial products, agricultural and processed agricultural products, fish and fish products;
    - Intellectual Property;
    - Disputes Settlement;
    - Rules of Origin;
    - Government Procurements; and
    - Institutional Arrangements.

  - Soon, detailed negotiations will cover the services sector;

- Cooperation with **Singapore**: In September 2004, the two countries held a meeting where they agreed on the future preparatory steps to negotiate the establishment of a free trade area;

- Cooperation with **China, India and Pakistan**: In August 2004, a frame agreement was signed between the GCC and China for economic cooperation. This agreement is an initial step to prepare for the establishment of a free trade area between the two sides. Qatar contributes effectively to the preparations. Similar arrangements have been taken to establish a free trade area with India and Pakistan; and

- Cooperation with **Australia and MERCOSUR**: In coordination with the general secretariat of the GCC, Qatar is taking serious steps to start Preparatory talks to establish free trade areas with Australia and MERCOSUR.

(2) WTO - DDA

55. Qatar's main interests and concerns on the DDA include the elimination of agriculture subsidies, greater access to non-agricultural products, and the free movement of natural persons. In this regard, Qatar has called on developed countries to "liberalize trade at a faster rate by removing the various obstacles that have so far deprived the developing countries of their right to enjoy international trade relations on equal opportunities". Moreover, Qatar has indicated that "there should be agreement on specific measures to ensure sufficient financial flows to developing countries, especially FDI, to assist them in building the production capacity they need to compete on the world market".

56. Qatar has bilateral trading agreements with many countries. Under these agreements, Qatar and its Partners accord each other most favoured nation treatment in all matters relating to their mutual trade relations.

57. WTO Agreement has been in cooperating within the Qatari Law by (24) 1995 and it is thereby part of the Qatari Law.

58. With regard to the process of implementation of the Uruguay Round results, the Government of Qatar has established a National Committee composed of representatives of competent relevant ministries and authorities and by the Minister of Economy and Commerce to oversea on regular basis Qatar commitments.

59. The trade policy and business environment in Qatar today offers investors myriad attractive incentives, in addition to a stable macroeconomic environment, a liberalized trade atmosphere and a freely convertible currency with full rights to affect all transfers abroad.

I. ECONOMIC ENVIRONMENT

(1) MAJOR FEATURES OF THE ECONOMY

1. The State of Qatar comprises a peninsula located in the Arabian Gulf and some small islands. It shares a land border with Saudi Arabia in the south, and its maritime boundaries are with Bahrain, Iran, Saudi Arabia, and the United Arab Emirates (UAE). Qatar has a land mass of 11,521 square kilometres, with some 560 kilometres of coastline.[1] The population is estimated at 743,000[2], of which the majority are foreigners. Doha, the capital, and its main suburb, Al-Rayyan, account for 83% of inhabitants and 60% of the territory. Qatar has a relatively young population structure: almost one quarter are in the 0-14 age group, and only 3% are 65 years and over. In 2002, Qatar ranked 47th out of 177 countries in terms of the UNDP Human Development Indicators.[3]

2. Qatar is a high-income country, with a GDP per capita estimated at US$27,491 for 2003; this is amongst the highest in the world (Table I.1). Qatar's economy depends heavily on its abundant petroleum and gas wealth, which accounted for 56.1% of the country's GDP in 2003, around 70% of Government revenues, and almost 90% of total merchandise export earnings. The services sector, led by public administration services, contributes about 30% to Qatar's GDP, and employs 65% of the total labour force.[4] The manufacturing sector, developed on the basis of Qatar's comparative advantage in energy-intensive industries, is responsible for 6.7% of the country's GDP, while agriculture contributes 0.3% to the GDP.

Table I.1
Qatar at a glance

	2003[a]
Area (km^2)	11,521
Population ('000)	743.0
GDP total (US$ million)	20,426.1
GDP per capita (US$)	27,491.4
Share of GDP at current prices (per cent)	
Agriculture	0.3
Oil and gas	56.1
Manufacturing	6.7
Electricity and water	1.3
Building and construction	4.7
Trade, restaurants, hotels	5.3
Transport and communications	3.3
Finance, insurance, real estate and business services	7.5
Government services	12.6
Other services	2.2

a Preliminary estimates.

Source: Qatar Central Bank (2004), *Quarterly Statistical Bulletin*, Vol. 23, No. 1, March.

3. The national currency is the Qatar riyal (QR). It was *de facto* pegged to the U.S. dollar at QR 3.64 per U.S. dollar in June 1980; this was formalized in July 2001, substituting the earlier formal

[1] Qatar is roughly 160 kilometres long, and about 80 kilometres at its widest point (Qatar Chamber of Commerce and Industry, 2004).

[2] According to the initial results of the 2004 population census, up from 522,000 inhabitants reported in the previous census of 1997 (Ministry of Foreign Affairs, undated, "Nations and Citizens: General Information").

[3] UNDP (2004).

[4] Qatar Chamber of Commerce and Industry (2004).

peg to the IMF's Special Drawing Rights (SDR).[5] The fixing of the QR to the U.S. dollar was made as a first step to comply with the decision by the Gulf Cooperation Council (GCC) to launch a monetary union by 2007.[6] In addition, Qatar has been applying the GCC common external tariff as from 1 January 2003 (Chapter III(2)(iv)). Qatar accepted the obligations of Article VIII of the Agreement of the International Monetary Fund on 6 April 1973.

4. Since the mid-1990s, Qatar has been implementing a development strategy aimed at, *inter alia*, reducing its high dependence on crude oil, particularly by: raising production and exports of liquefied natural gas (LNG), as well as promoting gas-intensive industries, such as petrochemicals and fertilizers, and, more recently, tourism; creating more job opportunities for all Qatari nationals; improving education, health services, and modernizing the infrastructure; and addressing some of the deep-rooted structural problems built over the previous decades, including that key industries, such as transport, energy, and telecommunications, remain dominated by a public company. In this regard, the development strategy has been accompanied by gradual structural reforms to create a more business-friendly environment, and increase the role of the private sector in the economy (Chapters II(5) and III(4)(iii)).[7]

(2) RECENT ECONOMIC DEVELOPMENTS

5. The development strategy followed by Qatar has resulted in its impressive economic performance in the past few years, spurred by rapidly rising crude petroleum and natural gas output and prices, and the boost in non-hydrocarbon production as a result of the increase in LNG and energy-intensive industrial and government investments. Qatar's real GDP growth rate jumped from an annual average of 1.3% during 1986-95 to around 9% over 1996-03. A real GDP growth rate of 9.3% is expected for 2004, largely led by a further surge in crude oil production and prices.[8]

6. The annual average inflation rate in Qatar, as measured by the consumer price index (CPI)[9], decreased to 0.2% in 2002 from a peak of 8.8% in 1996, before rising to 2.5% in 2003 and to an estimated rate of 3.5% in 2004[10], due mainly to an increase in private consumption. The main goal of monetary policy is price stability. The Qatar Central Bank (QCB) has taken gradual steps to reform its monetary policy; it has reduced the level of required reserves and liberalized interest rates.[11] The fixed exchange rate policy followed by Qatar has also provided a credible nominal anchor for price stability.

[5] The QR was pegged at QR 4.7619 per SDR (a basket of key international currencies), with margins of +/- 7.25% until July 2001 (IMF, 2002b).

[6] The GCC countries are: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. All GCC countries have pegged their currencies to the U.S. dollar. On top of that, the GCC agreed to adopt economic performance criteria, by no later than 2005, for the policy convergence needed to support the monetary union (IMF, 2002a).

[7] It is estimated that the public sector (government and public enterprises) accounted for about 70% of Qatar's nominal GDP in 1999 (IMF, 2002b).

[8] IMF (2004).

[9] The base year of the CPI is 2001; the previous base year was 1998.

[10] IMF (2004).

[11] Interest rates are market determined. The liberalization of interest rates in Qatar was completed in February 2000, with the removal of the ceiling rate on deposits of 12 months or less.

Table I.2
Main economic indicators, 1998-03

	1998	1999	2000	2001	2002	2003[a]
National accounts (annual % changes)						
Real GDP	12.0	4.8	7.3	6.3	..	..
Agriculture and fishing	-14.0	16.2	-9.0	0.0	..	..
Mining and quarrying	20.2	7.8	13.1	0.8	..	..
Manufacturing	8.0	1.6	-7.5	13.6	..	..
Electricity, gas and water	7.5	25.7	9.5	18.5	..	..
Construction	13.6	13.7	3.9	23.8	..	..
Services	6.7	1.2	6.0	7.7	..	..
Trade, restaurants, and hotels	11.6	3.4	10.5	3.0	..	..
Transport and communications	14.7	6.0	10.2	21.6	..	..
Finance, insurance, real estate, and business services	16.2	-0.6	4.1	6.6	..	..
Social services	3.9	-8.0	-10.1	-2.9	..	..
Government services	1.7	0.9	5.1	7.7	..	..
Household services	4.2	3.8	4.2	4.0	..	..
Imputed bank service charges	14.7	-1.7	-0.1	10.9	..	..
Final consumption	-1.5	-1.6	7.4	2.6	..	..
Private consumption	-1.3	-1.4	1.7	0.4	..	..
Government consumption	-1.6	-1.7	11.0	3.8	..	..
Gross fixed capital formation	-11.5	-25.4	54.5	19.8	..	..
Changes in stocks	11.7	-39.3	77.7	11.3	..	..
Exports of goods and non-factor services	39.1	12.1	6.0	-5.5	..	..
Imports of goods and non-factor services	-2.6	-24.2	51.2	-8.1	..	..
Consumer prices (average)	2.9	2.2	1.7	1.4	0.2	2.5
External sector (US$ million - current prices)						
Trade balance	1,960	4,962	6,373	7,485	6,707	7,267
Exports (f.o.b.)	5,030	7,214	11,594	10,871	10,978	13,382
Imports (f.o.b.)	-3,071	-2,252	-2,930	-3,386	-3,650	-4,412
Current account balance	-455	2,171	4,576	4,152	3,824	5,700
Current account balance (% GDP)	-4.4	17.5	25.8	23.4	21.7	20.0
Capital and financial account	407	1,627	-19	-1,055	-1,712	-757
Overall balance	-48	2,458	2,691	2,625	1,789	4,367
Central Bank reserves (net - US$ bn)	599	735	1191	1296	1408	..
In months of imports of goods and non-factor services	1.6	1.8	2.7	2.7	2.8	..
Nominal effective exchange rate (1995 = 100)[b]	116.6	116.2	122.6	128.8	126.6	115.2
Real effective exchange rate (% change)[b]	-3.0	5.4	2.8	3.0	..	..
Government finance (US$ million - current prices, end of period)						
Receipts	4,181	4,323	6,855	6,251	7,834	8,010
Expenditure	4,642	4,822	5,575	5,633	6,264	6,927
Balance[c]	-461	-499	1,280	618	1,570	1,085
Balance (as % of GDP)[c]	-4.5	-4.0	7.2	3.5	8.0	5.3
Financial indicators (end of period - % change)						
Money supply (M1)	..	-0.9	6.5	17.3	20.5	79.3
Money supply and quasi-money (M2)	..	11.4	10.7	0.0	11.8	15.8

.. Not available.

a Preliminary estimates.
b Negative sign indicates depreciation.
c Negative sign indicates deficit.

Source: State of Qatar (2003), *Planning Council, Annual Statistical Abstract*, 22nd issue, January; Qatar Central Bank (2004), *Quarterly Statistical Bulletin*, Vol. 23, No. 1 March; IMF, *International Financial Statistics*, CD-Rom; and information provided by the Qatari authorities.

7. In line with the significant increase in oil and gas earnings, Qatar has achieved an important turnaround in its fiscal position since 2000, a main source of macroeconomic imbalances in the past. The overall public sector balance improved from a deficit of 4% of GDP in 1999/00 to surpluses

thereafter, reaching 8% of GDP in 2002/03, and an estimated 5.3% in 2003/04.[12] The fiscal improvement has also been the result of, *inter alia*, the downsizing of government employment through the streamlining of ministries, and the recent adoption of a national pension fund, with reduced contribution from the budget.[13] Nevertheless, with oil-related revenues accounting for more than two thirds of total public sector income, Qatar needs to diversify its non-oil public revenue sources (in fiscal year 2001/02, taxes, including import tariffs, accounted for about 20% of non-oil revenue, excluding investment income) and its non-oil public revenue base (only foreign companies and the state-owned Qatar Petroleum are subject to the legislation on income tax), and reduce the extent of exemptions. In addition, public expenditure could be further reduced by changing the longstanding policy of subsidizing utility and water charges.[14]

8. Qatar experienced external current account deficits, equivalent to 4.4% of GDP in 1998. However, following the increase in world oil prices in 1999 (Chapter IV(3)(ii)), the deficits have been transformed into surpluses, peaking at 25.8% of GDP in 2000 and reaching 20% of GDP in 2003. This impressive turnaround in Qatar's external current account has been led by a surge in petroleum and gas exports, which jumped from US$2,979 million in 1997 to US$11,374 million in 2003.

9. Despite the significant rise in oil and gas exports, Qatar's total external debt also moved up from US$9,323 million (equivalent to 82.5% of GDP) in 1997, to US$15,035 million (75% of GDP) in 2003, because of the need to finance government spending on health, education, and infrastructure projects. This is a reversal of the situation Qatar faced in 1998, when the Government curbed spending in the aftermath of the oil price crash, leading to the postponement of many development projects. Nevertheless, at about 25.3% of total exports in 2003, Qatar's debt service seems manageable.

(3) TRADE PERFORMANCE AND INVESTMENT

(i) Trade in goods and services

10. Over the years, Qatar has traditionally recorded a surplus in its merchandise trade balance; the magnitude of this surplus is driven predominantly by developments in the hydrocarbons industry. In 2003, the merchandise trade surplus amounted to US$8,970 million (up from US$62 million in 1997), due primarily to the significant increase in oil and gas export earnings that resulted in total merchandise exports of US$13,382 million.

11. During 1997-03, the ratio of Qatar's merchandise trade (exports and imports) to GDP rose from 76.5% to 87.1%. In 2003, Qatar ranked 46th among world merchandise exporters (considering the countries of the European Communities together and excluding intra-EC trade)[15], and 64th among importers. For trade in services, the country ranked 68th as an exporter and 57th as an importer.

[12] Fiscal year in Qatar begins in April.

[13] The national pension scheme covers Qataris employed in both the government and non-government sectors. Employers contribute 10% and employees 5%; retirement age was set at 60 years for men and 55 for women, after a 20-year contribution, with full pension. Employees are entitled to retire, at a pension discount, after 15 years of contribution (IMF, 2002b).

[14] Qatari households are exempt from electricity and water charges, while businesses and expatriates pay such charges, although at a highly subsidized rate. The authorities estimated that electricity and water consumption could be reduced by more than 30% if their prices were increased to ensure cost recovery (IMF, 2002b).

[15] WTO (2004a).

12. The export base of Qatar was heavily concentrated in crude petroleum until 2002, when exports of LNG became the country's most important foreign exchange source (Chart I.1, and Tables AI.1 and AI.2). The share of LNG exports in total merchandise exports rose from 12.2% in 1998 to 43.7% in 2002, while the share of crude petroleum declined from 61.2% to 35.9%. The contribution of manufacturing exports (led by chemicals and iron and steel products) also decreased from 13.6% in 1998 to 10.5% in 2002, while exports of agricultural products represented only 0.1% of the total throughout the period.

13. Qatar's exports rely, to a large extent, on the markets of East Asia and the Middle East, which together accounted for 82.3% of total exports in 2002, up from 68.6% in 1998 (Chart I.2, and Tables AI.3 and AI.4). Japan has typically been Qatar's major export market (29.5% in 2002, down from 40.9% in 1998), followed by the Republic of Korea, Singapore, and Thailand. In the Middle East, the UAE is the main destination for Qatar's exports (4.6% in 2002, up from 3.1% in 1998), while in Africa, Egypt is Qatar's key market (3.3% in 2002 up from 0.2% in 1998). In 2002, the United States and the EC (15) accounted for 3.5% and 2.3%, respectively, of Qatar's exports.

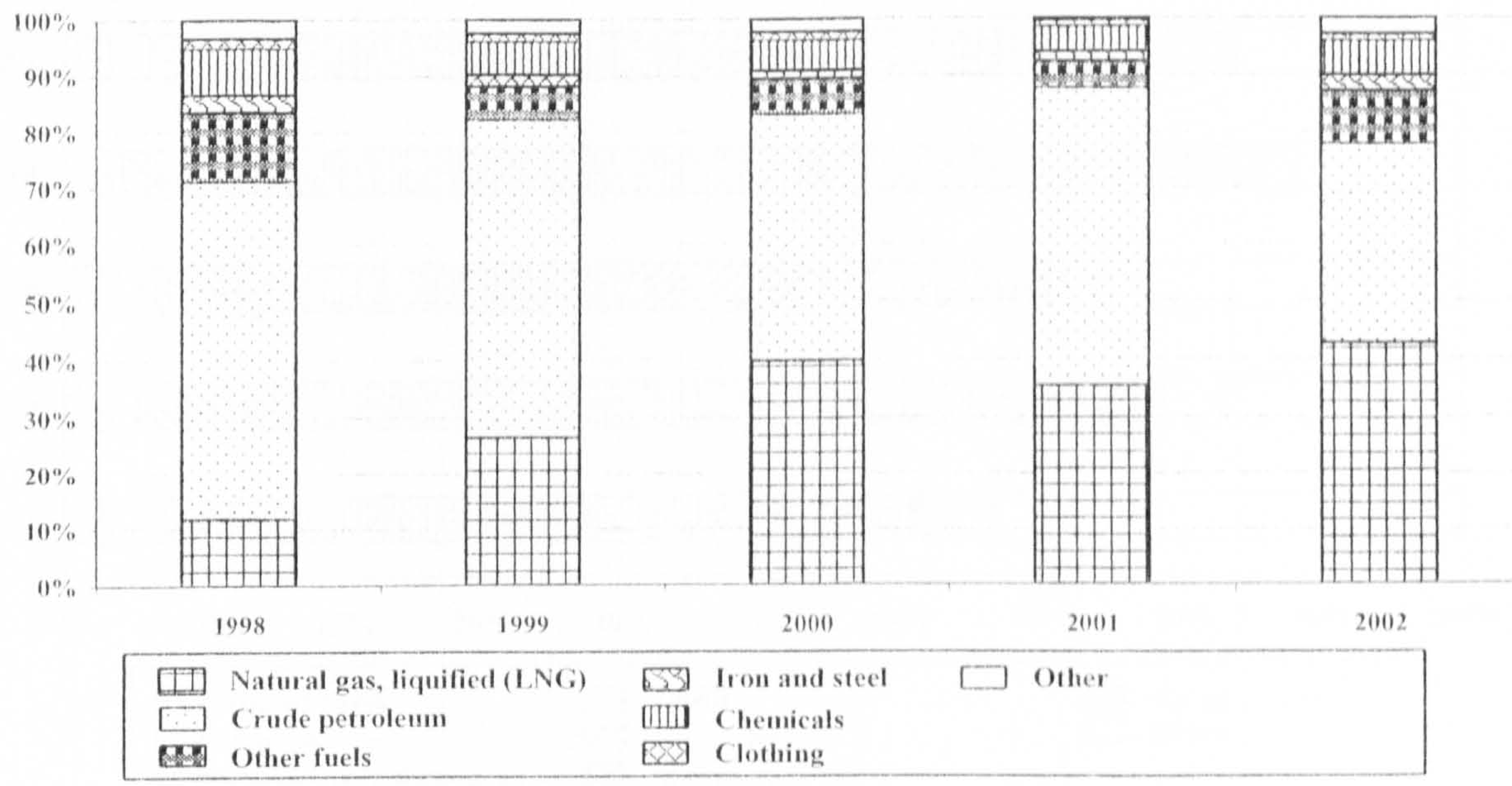
14. Qatar's imports have fluctuated in line with the country's economic performance. Total merchandise imports went from US$2,498.9 million in 1999 (when Qatar registered a reduction in its GDP growth rate), to a peak of US$4,412 million in 2003 due to the GDP growth boom. Manufactured goods represented 83.5% of total merchandise imports in 2002 (down from 85.6% in 1998), whereas the share of agricultural imports increased from 10.9% in 1998 to 12.7% in 2002. About half of Qatar's total merchandise imports comprised machinery and transport equipment; chemicals and iron and steel products also represent a sizeable share (Table AI.5).

15. East Asia and the Middle East supplied 40.9% of Qatar's total merchandise imports in 2002 (up from 39% in 1998). However, considering individual countries, the United States is the leading source of Qatar's merchandise imports, supplying 13% of the total in 2002 (down from 14% in 1998). Japan is the next largest source, although its share decreased from 12.8% in 1998 to 10.5% in 2002. Some European countries increased their participation during the period, particularly Italy, from 6% to 9% (Table AI.6).

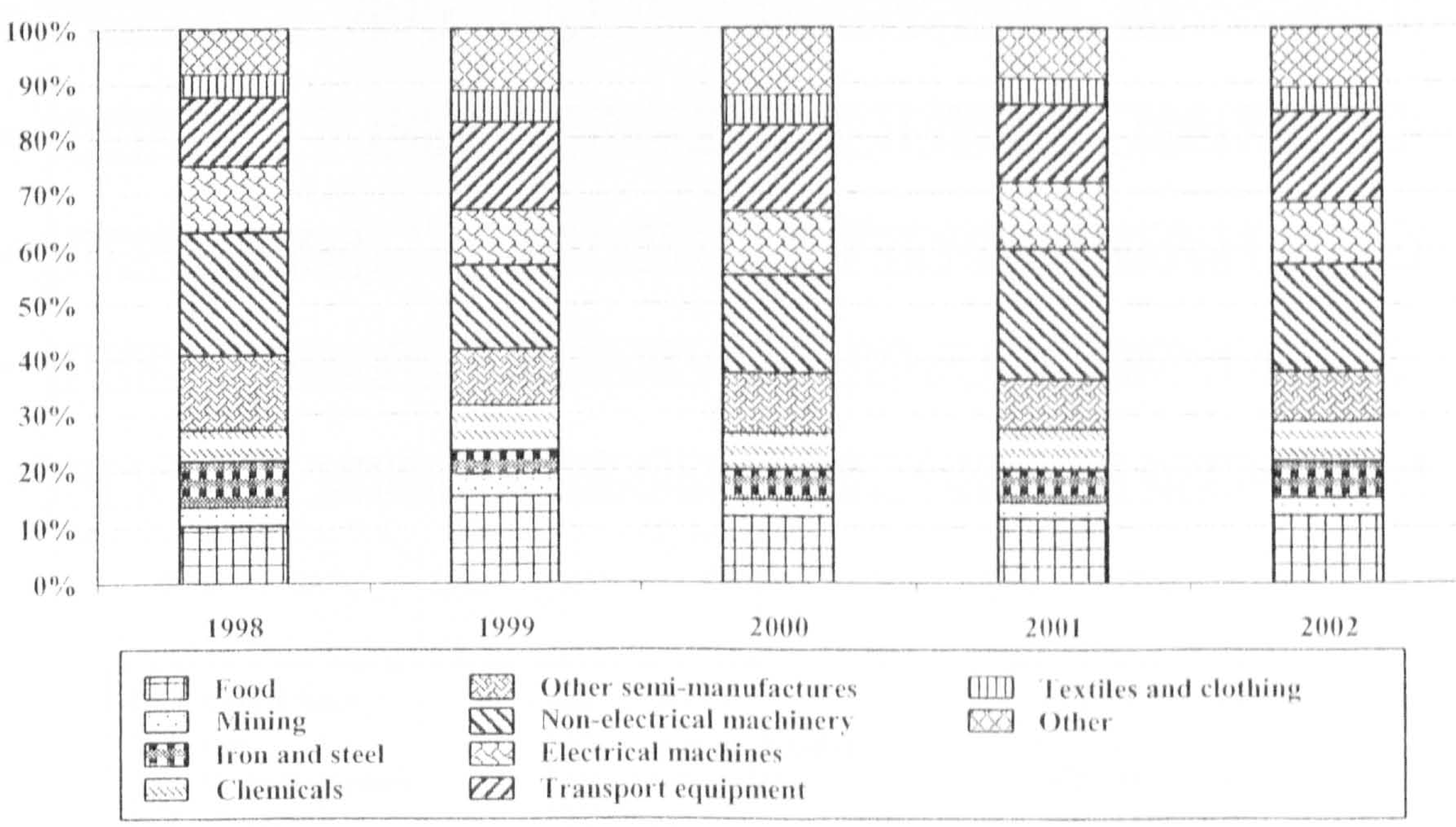
16. Balance-of-payments data indicate that Qatar is a net importer of services, with a deficit averaging US$1,194.2 million per year during 1999-03 (Table I.5). Total exports of services increased from US$238 million in 1999 to US$1,138 million in 2003; travel services rose from US$122 million (51.3% of total services exports) to US$369 million (32.4% of total services receipts) during the period. Total imports of services increased from US$1,613 million in 1999 to US$2,341 million in 2003 with travel and transportation services accounting for 39% of the total in 2003, up from 33.8% in 1999.

Chart I.1
Structure of merchandise exports and imports, 1998-02

(a) Exports



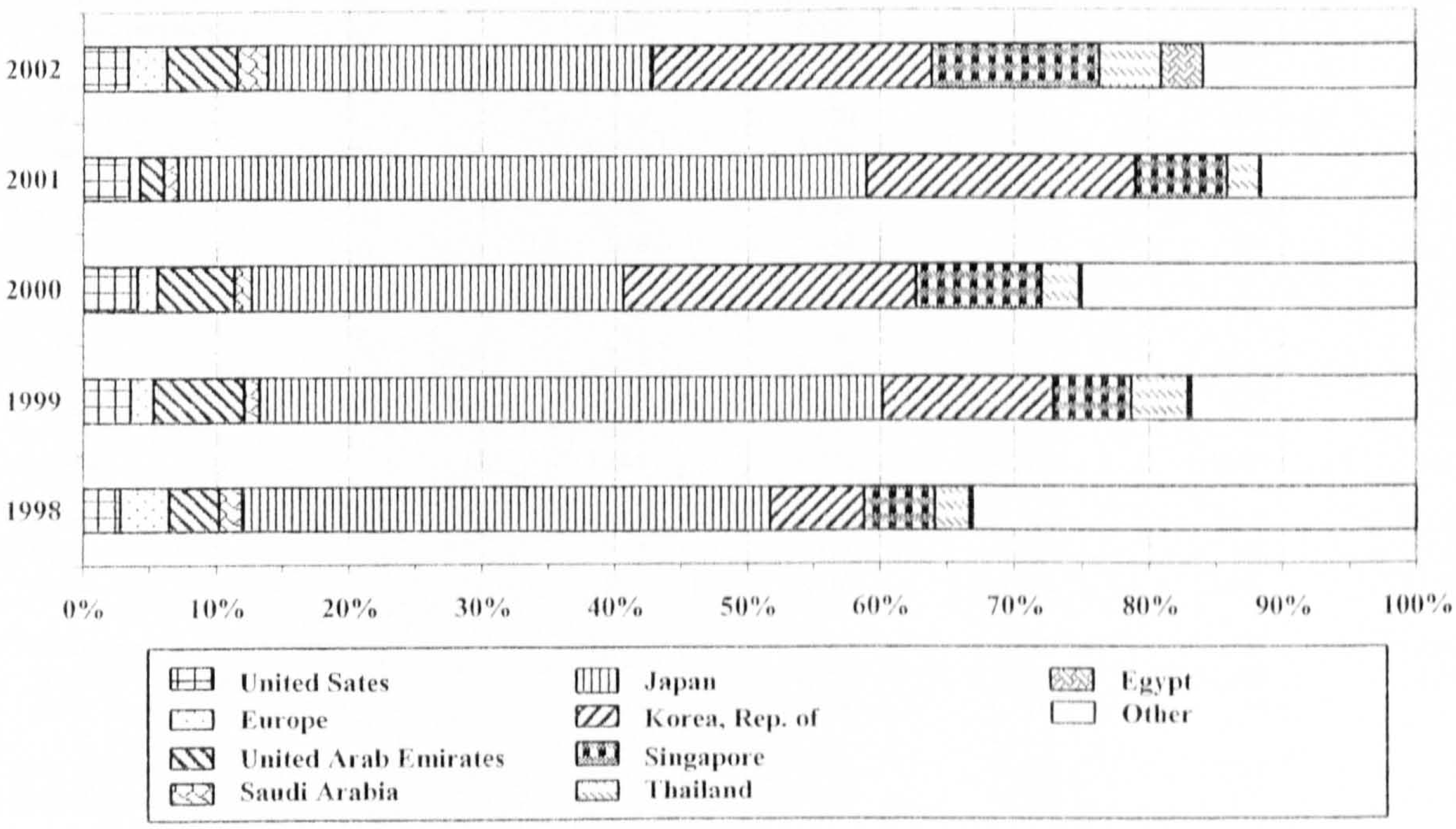
(b) Imports



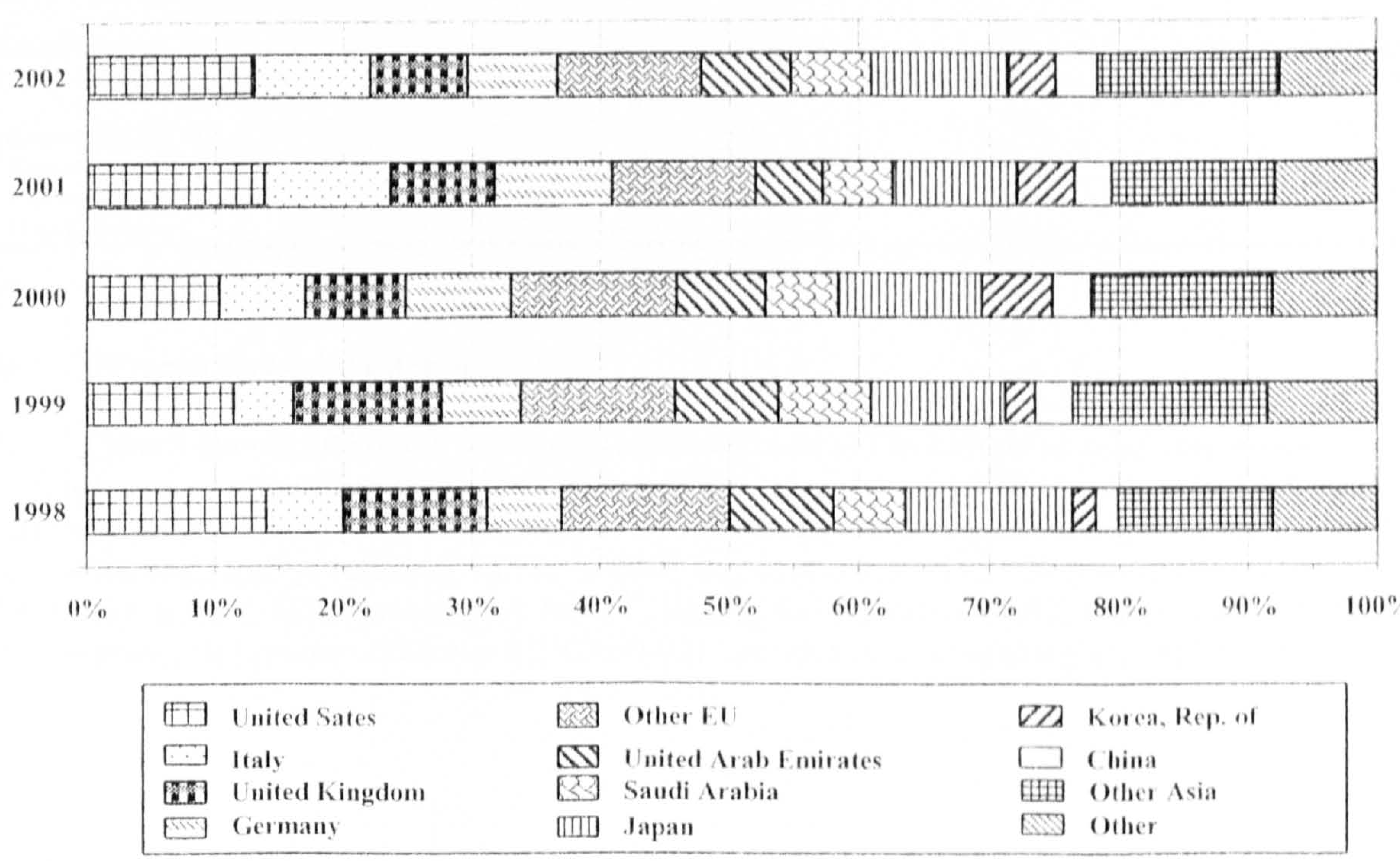
Source: WTO Secretariat calculations, based on UNSD, Comtrade database.

Chart I.2
Direction of merchandise trade, 1998-02

(a) Exports



(b) Imports



Source: WTO Secretariat calculations, based on UNSD, Comtrade database.

Table I.3
Balance of payments, 1999-03
(US$ million)

	1999	2000	2001	2002	2003
Current account	2,171	4,576	4,152	3,824	5,700
Goods	4,962	8,664	7,485	7,328	8,970
Exports (f.o.b.)	7,214	11,594	10,871	10,978	13,382
Crude petroleum	4,014	6,588	5,610	5,629	6,717
Natural gas liquid	2,198	3,863	4,099	3,504	4,657
Other	849	974	996	1,638	1,819
Re-export	152	170	166	207	190
Imports (f.o.b.)	-2,252	-2,930	-3,386	-3,650	-4,412
Services	-1,374	-1,276	-1,028	-1,090	-1,203
Credit	238	363	685	707	1,138
Travel	122	128	272	285	369
Transportation	83	206	373	310	628
Other	33	30	40	112	141
Debit	-1,613	-1,640	-1,714	-1,796	-2,341
Travel	-320	-307	-366	-423	-471
Transportation	-225	-293	-338	-365	-441
Other	-1,068	-1,040	-1,010	-1,009	-1,429
Income	-119	-1,399	-704	-952	-416
Credit	117	214	888	709	1,354
Debit	-236	-1,613	-1,591	-1,607	-1,770
Transfer (net)	-1,298	-1,413	-1,601	-1,517	-1,650
Workers' remittances	-1,259	-1,355	-1,507	-1,483	-1,594
Other	-38	-58	-95	-34	-56
Capital and financial account	1,627	-19	-1,055	-1,712	-757
Capital account	0	0	0	-373	-319
Financial account	1,627	-19	-1,055	-1,340	-438
Net errors and omissions	-1,341	-1,865	-472	-323	-577
Overall balance	2,458	2,691	-2,625	1,789	4,367
Change in reserves (increase -)	-2,458	-2,691	-2,625	-1,789	-4,367
Indicators (% of GDP)					
Trade balance	40.7	48.8	42.2	37.2	43.9
Current account balance	17.5	25.8	23.4	21.7	20.0
Overall balance	19.8	15.2	14.8	9.1	21.4

Source: Qatar Central Bank (2004), *Quarterly Statistical Bulletin*, Vol. 23, No. 1, March.

(ii) Foreign direct investment

17. Qatar's annual inflows of foreign direct investment (FDI) have been relatively erratic over the last few years, moving from US$113 million in 1999 to a peak of US$631 million in 2002, and then decreasing to about US$400 million in 2003. However, as percentage of GDP, the stock of FDI has been increasing rapidly, reaching 15.9% in 2003, up from 10.8% in 2000 (Table I.4). According to UNCTAD's Inward FDI Performance Index[16], during the period 2001-03, Qatar ranked 67th out of 140 countries; its previous rank was 81st (2000-02), and its best ever ranking was 41st (1996-98).

[16] UNCTAD's Inward FDI Performance Index measures the extent to which host countries receive inward FDI, and ranks countries by the amount of FDI they receive relative to their economic size. It is calculated as the ratio of a country's share in global FDI inflows to its share in global GDP.

Table I.4
Foreign direct investment, 1998-03
(US$ million)

	1998	1999	2000	2001	2002	2003
FDI inflows[a]	347	113	252	296	631	400
FDI inward stock	1555	1668	1920	2216	2847	3247
FDI inward stock (% of GDP)	15.2	13.5	10.8	12.5	14.4	15.9
FDI outflows[a]	20	30	41	112	61	71
FDI outward stock	110	140	181	293	353	424
FDI inward stock (% of GDP)	1.1	1.1	1.0	1.7	1.8	2.1

a Estimates.

Source: UNCTAD (2004), *World Investment Report*; and WTO Secretariat estimates.

18. Qatar has shown one of the biggest improvements in UNCTAD's Inward FDI Potential Index[17], ranking 8th during 2000-02 (20th over 1996-98). Nevertheless, Qatar's vast potential for attracting foreign investors and fostering domestic investment remains somewhat untapped. According to UNCTAD, Qatar's recent FDI performance is below potential and the country should address the shortcomings that prevent its structural FDI potential from being realized. In general, FDI in Qatar has been inhibited by the slow progress of its privatization programme, institutional constraints, small market size, the unavailability of skilled labour, and the high cost of labour; in addition, foreign companies remain excluded from investing in certain key activities, such as banking, insurance, and commercial representation (Chapters II(5) and III(4)(iii)).

19. The authorities have recently been implementing measures to improve the investment climate in the country. In particular, new laws (Investment Law No. 13 of 2000, and Commercial Companies Law No. 5 of 2002) have been enacted to pave the way for a surge in foreign investment inflows. The 2000 Investment Law has further improved the incentives schemes available to investors. In addition, a one-stop window for investment procedures has been established to increase transparency, reduce red tape, and ease the approval process for land and industrial licences (Chapter II(5)).

20. According to the authorities, foreign investors have committed to invest US$32 billion in various projects in Qatar over the next five years[18], including the expansion of Rasgas and Qatargas (Chapter IV(3)(iii)).

(4) OUTLOOK

21. Qatar's economic outlook depends, to a great extent, on the evolution of the world oil and gas markets, given its high dependency on these products.[19] In this regard, Qatar's economic policy aims to continue reducing its vulnerability to oil fluctuations (world prices and OPEC's output quotas), and accelerate non-oil growth to generate more employment opportunities. The achievement of these objectives calls for sustained structural reforms, such as lifting impediments to FDI, and expanding private investment opportunities in key sectors. The long-term strategy also aims to ensure inter-generational economic equity in the exploitation of non-renewable natural wealth, by saving part of

[17] UNCTAD's Inward FDI Potential Index measures the extent to which host countries receive inward FDI, and ranks countries by the amount of FDI they receive relative to their potential. It is calculated on the basis of structural variables, such as country risk, and trade-related measures.

[18] Economist Intelligence Unit (2004).

[19] In 2003, 44% of the operating revenues of the state-owned Qatar Petroleum (QP) were derived from the production and export of crude oil, 19% from liquefied natural gas (LNG) projects, 12% from the sale of refined petroleum products, 10% each from the sale of natural gas liquids and fertilizers, and 5% from petrochemicals. QP expects oil-related activities to continue to account for the largest share of its revenues for the next 8-12 years.

the recent windfall oil gains into several funds (e.g. the Oil Stabilization Fund[20], Qatar Foundation Fund[21], and Housing Fund[22]) to finance development projects.

22. Further integration within the GCC area[23], including the planned monetary union by 2007, is expected to further improve Qatar's macroeconomic performance. The GCC countries will need to take important steps towards a full monetary union, such as achieving convergence criteria (e.g. price stability, sustainable fiscal position, and low interest rates); creating common institutions, notably the GCC central bank; and implementing regulatory and legislative reforms. The GCC customs union, together with an effective monetary union, is likely to enhance growth prospects for Qatar and the other countries in the region through, *inter alia*, a more efficient allocation of resources; an increase in intra-GCC trade; strong boosts to FDI resulting from increased business opportunities; and higher productivity as a result of increased competition among member states.

23. Demographic factors, such as the structure of the Qatari population, and trends in international migration will also play a role. The fact that foreign workers account for over 70% of Qatar's labour force makes the country relatively vulnerable to changes in international flows of expatriates.[24] Although there are currently no unemployment pressures in Qatar[25], its relatively young population will require the economy to generate increasing employment opportunities. Awareness of this situation has led to the implementation of a programme, called Quality Qatarization, aimed at raising the share of "competent" Qatari nationals to 50% of the total labour force in the energy and industry sectors by the end of 2005 (Chapter IV(4)(ii)).[26]

[20] The objective of the Oil Stabilization Fund, created in 2000, is to insulate medium-term development expenditures from volatile oil revenue. The Supreme Council for Economic Affairs and Investment determines the fund's investment strategy (IMF, 2002b).

[21] The objective of the Qatar Foundation Fund is to finance higher education in the country through the opening of new universities and colleges associated with internationally recognized institutions. The Supreme Council for Economic Affairs and Investment determines the allocation of the fund's resources (IMF, 2002b).

[22] The Housing Fund, created in the 1980s, finances the residency of Qatari nationals through long-term loans free of charge. Qatar National Bank (QNB) administers this fund on behalf of the Ministry of Finance (IMF, 2002b).

[23] In 2001, the GCC area had a combined GDP of about US$335 billion; an average weighted nominal per capita income of US$12,708; as well as 45% and 17%, respectively, of the world's oil and natural gas reserves (IMF, 2002a).

[24] It is estimated that there are around half a million workers from OECD countries in the GCC area (Middle East Economic Digest, 2004).

[25] Unemployment among Qatari nationals was less than 2% of the total labour force in 1997, a situation, which according to the authorities, remains unchanged. Some 3,000 Qatari nationals graduate every year from high schools (IMF, 2002b).

[26] The current rate of Qatari employment ranges between 7% and 25% of the total labour force, depending on the industry (Qatar Chamber of Commerce and Industry, 2004).

II. TRADE AND INVESTMENT REGIMES

(1) THE INSTITUTIONAL FRAMEWORK

1. The State of Qatar, which has been independent since 3 September 1971, is headed by an Emir, who is the constitutional Head of State and Commander-in-Chief of the army. The Emir holds both executive and legislative powers with the assistance of the Council of Ministers and the Advisory Council, respectively.[1]

2. The office of Emir is transferred from father to son; when there is no male heir, power is passed to the person chosen by the Emir, within the Al-Thani family.[2] The Emir appoints the Prime Minister, and the ministers upon recommendation by the Prime Minister. The ministers are directly responsible to the Emir, who exercises power through them.

3. The Prime Minister serves as head of the Council of Ministers. The Prime Minister is responsible for the implementation of the Council of Ministers' decisions and for coordination between the various ministries. The responsibilities of the Council of Ministers include proposing draft laws and decrees, which are then discussed by the Advisory Council before being submitted to the Emir for ratification and issuance.

4. The Advisory Council (Al-Shoura) currently has 35 members appointed by Emiri Decision. The 1972 Amended Provisional Constitution stipulates that no laws can be enacted or issued without first being discussed and recommended upon by the Advisory Council. The main responsibilities of Al-Shoura include discussing the political, social, administrative, and economic aspects of Qatar's general policies. In March 1999, elections were held for the first time in Qatar to form the Central Municipal Council, which advises and gives recommendations to the Ministry of Municipal Affairs and Agriculture, including on construction matters. Political parties are not permitted.[3]

5. The judiciary is a constitutionally independent and separate branch of government. Parallel systems run for the administration of justice: one judicial system covers the Shari'a (Islamic law) courts, and the other, the civil courts.[4] Law No. 6 of 1999, which was replaced by Law No. 10 of 2003, unified all courts of justice and Shari'a courts in one judicial body, and determined the jurisdictions of each type of court. Shari'a courts fall under the jurisdiction of the Presidency of Shari'a Courts and Religious Affairs. They deal primarily with personal matters relating to Muslims (including marriage, divorce, and inheritance), and base their decisions on the teaching of the Holy Quran and Islamic traditions. Cases involving non-Muslims and common law are handled by civil courts.

6. Law No. 10 of 2003 is aimed at making Qatar's judicial system more independent; it established the Supreme Judicial Council, presided over by the head of the court of cassation[5], and a court of cassation responsible for appeals of contravention, misapplication, and misinterpretation of law, and of disputes arising between courts regarding their areas of jurisdiction. Under Law No. 10 of 2003, judges are appointed by the Supreme Judicial Council.

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[1] Amended Provisional Constitution enacted on 19 April 1972. The first provisional Constitution was issued in 1970 before Qatar became independent from the United Kingdom (Ministry of Finance, undated, *Constitution*).

[2] Emiri Decision No. 3 of 1995 (Ministry of Finance, undated, *Emir*).

[3] Qatar Chamber of Commerce and Industry (2004).

[4] Ministry of Finance, undated, *Judiciary*.

[5] The Supreme Judiciary Council has in its membership the two heads of the Shari'a appeal court and justice appeal court, alongside a number of advisors and judges (Ministry of Finance, undated, *Judiciary*).

7. On 29 April 2003, a new and permanent Constitution was passed in a nationwide referendum[6]; it is to replace the 1972 Constitution on 7 June 2005. It calls for, *inter alia*, the creation of a 45-member Advisory Council (30 elected through universal suffrage and 15 appointed by the Emir); freedom of expression and religion; protection of private property; and an executive accountable to the legislature. According to the new Constitution, the Advisory Council is to exercise control over the executive authority; is to be entrusted with the legislative authority; and is to approve the general policy of the Government, including the public budget.[7]

(2) Trade Policy Formulation and Implementation

8. Responsibility for trade policy formulation and implementation lies with the Ministry of Economy and Commerce (MEC), in coordination with other ministries and trade-related bodies, such as Supreme Council for Economic Affairs (headed by the Emir), National Committee on WTO Affairs, Ministry of Finance, Ministry of Energy and Industry (MEI), Ministry of Justice, Ministry of Foreign Affairs (MOFA), Ministry of Municipal Affairs and Agriculture (MMAA), Ministry of Public Health, Customs and Ports General Authority, Qatar Telecommunications (Q-Tel), and the Planning Council.[8] The private sector provides inputs to trade policy formulation by communicating its views either directly to the MEC or through the Qatar Chamber of Commerce and Industry, the sole trade association in the country. The National Committee on WTO Affairs discusses and assesses WTO-related issues.[9]

9. Most policies, including trade policies, are formulated and implemented by means of legal instruments. The Constitution comes first in the hierarchy followed by laws, Emiri decrees and orders, Prime Ministerial decrees and orders, and Administrative orders. Bills are presented to the Council of Ministers by the relevant ministries, or by the Emir, and, following the response from the Advisory Council and consideration by the Council of Ministers, of comments made by the Advisory Council, are submitted for approval and ratification by the Emir. Once a bill is signed by the Emir, it becomes a Legislative Decree and must be published in the *Official Gazette*; it comes into effect on the date specified in each law.

10. Under Qatari law, trade treaties, once ratified and decreed by the Emir, and subsequently published in the *Official Gazette,* become part of national law. According to the authorities, treaty obligations supersede national legislation and are admissible in national courts; to the extent that Qatari legislation is not in accord with its WTO obligations, the WTO Agreement is definitive.

11. The main trade-related laws and regulations of Qatar are presented in Table II.1. Qatar's intellectual property rights legislation was reviewed by the WTO Council for TRIPS in 2002 (Chapter III(4)(iv)).[10] Qatar notified the WTO that it had no laws and/or regulations on: anti-dumping practices[11]; subsidies and countervailing measures[12]; and safeguards (Chapter III(2)(vi)).[13] In

6 The Constitution was endorsed by 96.6% of the votes. On 13 July 1999, the Emir had issued Decree No. 11 stipulating the formation of a 32-member drafting committee of the Permanent Constitution (Ministry of Finance, undated, *The Constitution*).

7 Article 76 of the new Constitution. Under Article 106 of the new Constitution, a two-thirds majority of the members of the Advisory Council is required to pass a bill rejected by the Emir.

8 On 6 June 1998, an Emiri decision was issued to set up the Planning Council (at the State level). In addition, planning and follow-up units are set in each Ministry (Ministry of Finance, undated, *Planning Council*).

9 The National Committee on WTO Affairs is composed of, *inter alia*, members from MEC; MEI; MOFA; MMAA; Ministry of Labour, Social Affairs and Housing; Planning Council; Qatar Central Bank; Qatar Petroleum; Qatar Chamber of Commerce and Industry; and Q-Tel.

10 WTO document IP/N/1/QAT/2, 21 June 2002.

11 WTO document G/ADP/N/1/QAT/1, 31 March 1998.

addition, Qatar indicated that it had no import licensing procedures[14], although there were restrictions on imports of certain items (Chapter III(2)(v)).

Table II.1
Main trade-related laws in Qatar

Laws	Issue
GCC Tariff	Tariff
Customs Law No. 40 of 2002, and its Executive Regulations	Customs regulations; import and export restrictions; rules of origin
Qatar's Investment Law No. 13 of 2000 regulating the investment of foreign capital in economic activities	Foreign investment
Law No. 5 of 2002 on commercial companies; and Law No. 8 of 2002 on commercial agency	Company establishment
Registration Law No. 11 of 1962, amended in 1987	Company registration
2004 Law and instructions of income tax	Income tax
Law No. 12 of 1999 on agriculture quarantine	Sanitary and phytosanitary measures
Law No. 16 of 2002	Technical standards and metrology
Law No. 8 of 1976 concerning the organization of tenders and public auctions, amended by Law No. 10 of 1980, Law No. 9 of 1981, and Law No. 10 of 1990	Government procurement
Law No. 7 of 2002 on protection of copyright and related rights	Copyright
Law No. 9 of 2002 on trademarks, geographical indications, and industrial designs	Trademarks, geographical indications, and industrial designs
GCC Unified Law of 2002 on patents	Patents
Law No. 10 of 1974	Oil and natural gas
Law No. 10 of 2000	Electricity and water
Law No. 13 of 1987	Telecommunications
Postal Law No. 14 of 1990, and Decree Law No. 18 of 2001	Postal services
Anti-Money-Laundering Law No. 28 of 2002, amended by Decree Law No. 21 of 2003	Banking
Law No. 14 of 1995 on Doha securities market; Law No. 25 of 2002 on mutual funds	Securities
Decree Law No. 16 of 2002 on Civil Aviation Authority	Transport
Law No. 16 of 1998	Tourism

Source: Information provided by the Qatari authorities.

12. In general, investment in Qatar is regulated by the Commercial Companies Law No. 5 of 2002, and by the Commercial Agency Law No. 8 of 2002. Foreign investment, in particular, is governed by Qatar's Investment Law No. 13 of 2000, regulating the investment of foreign capital in economic activities, which replaced Law No. 25 of 1990 (section (5) below).

(3) POLICY OBJECTIVES

13. The main policy goal of the MEC is to establish long-term strategies to help make Qatar's economy stable and diversified. The policy is mainly aimed at creating and promoting a modern economy; developing further Qatar's commercial sectors and other parallel services; diversifying trade and economic partnerships with regional and international entities; supporting the private sector and enhancing its role in the development process; and promoting local investment and attracting foreign investments.[15]

14. Qatar recognizes the importance of trade and investment liberalization to its overall goal of accelerating economic growth, improving external competitiveness, diversifying its economy away

[12] WTO document G/SCM/N/1/QAT/1, 31 March 1998.
[13] WTO document G/SG/N/1/QAT/1, 30 March 1998.
[14] WTO document G/LIC/N/1/QAT/1 and G/LIC/N/3/QAT/1, 2 April 1998.
[15] Qatar Chamber of Commerce and Industry (2004).

from oil, and creating more employment opportunities for all Qatari nationals. Qatar's economy is relatively open and tariffs on imports are applied on a non-discriminatory basis, with the exception of trading partners belonging to the Gulf Cooperation Council (GCC) (section (4)(ii)(a) below). A main factor shaping Qatar's foreign trade policy is its participation in the GCC, in which the six members created a customs union since January 2003. Regional agreements such as the GCC are being pursued because Qatar believes that regionalization would help rather than hinder the globalization of the world economy. Qatar is considering negotiating bilateral trade agreements (section (4)(iii)).

15. A sound economic environment is considered key to attracting local and foreign capital, and diversifying the Qatari economy. To this end, structural reforms are under way (including implementation of a privatization programme). An "education city" is under construction[16], and tourism is being developed (Chapter IV(5)(v)). Moreover, foreign investment has been further liberalized through the adoption of a new law that encourages inward investment and transfer of technology (section (5) below).

16. The authorities' strategy to share the oil and gas wealth between current and future generations seeks to promote economic diversification; improve education and health services; and modernize the infrastructure. Large investments are under way to more than quadruple liquefied natural gas (LNG) production and to create one million barrels per day of gas-to-liquid (GTL) capacity by 2010.[17] In addition, the development of small and medium-sized enterprises (SMEs) that use by-products of the hydrocarbon production is becoming an important component of diversification efforts.[18] Recent windfall oil gains have been used to build up government assets, part of which are being saved in several funds to finance higher education and better health services in Qatar. After almost a decade of low and stagnant development spending, the Government is implementing a medium-term investment plan to finance infrastructure projects, including expansion of the primary road network, a new sewerage system[19], and a new airport (Chapter IV(5)(iv)(b).

(4) TRADE AGREEMENTS

(i) WTO

17. A contracting party to the GATT since 7 April 1994, Qatar became an original Member of the WTO on 13 January 1996.[20] Qatar is neither a signatory nor an observer to any of the WTO's plurilateral agreements. Qatar has not been involved in any dispute under the WTO Dispute Settlement Mechanism, either directly or as a third party. Qatar's notifications to the WTO are few and sporadic (Table II.2).

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[16] In October 2003, the "education city" was officially inaugurated in the outskirts of Doha. Qatar plans to spend US$5 billion in the "education" city, which is being built over an area of 2,400 acres, and will house branch campuses of several international universities, staff quarters, and a 300-bed hospital. It is aimed at preparing world class graduates and promoting integrated R&D (Economist Intelligence Unit, 2004).

[17] Investments of about US$70 billion are estimated necessary to achieve this objective. For instance, the state-owned Qatar Petroleum has an investment plan of more than US$10 billion over the medium-term to expand natural gas exports by pursuing all market outlets: LNG, pipeline gas exports, local markets, and GTL projects (IMF, 2002b).

[18] A new industrial area in Doha has recently been inaugurated. It is expected to provide 120 investment projects for small and medium-sized industries in its first phase.

[19] For example, the Government plans to spend US$1.2 billion over the next two years to upgrade Qatar's road network, and link all towns and villages in the peninsula before the Asian Games to be held in Doha in 2005 (Economist Intelligence Unit, 2004).

[20] WTO document WLI/210, 18 December 1995.

Table II.2
Qatar's selected notifications to the WTO, as of November 2004

WTO Agreement	Description of requirement	Periodicity	Most recent notification	Comment
Agriculture (Articles 10 and 18.2)	Export subsidies	Annual	G/AG/N/QAT/3 12 August 1999	No export subsidies in 1998
Implementation of Article VI of the GATT 1994 (Article 18.5)	Laws, Decrees, and Regulations	Once, then changes	G/ADP/N/1/QAT/1 31 March 1998	No laws/regulations relevant to the Agreement
Import Licensing Procedures (Articles 1.4(a) and 8.2(b))	Laws and regulations	Once, then changes	G/LIC/N/1/QAT/1 2 April 1998	No import licensing procedures
Preshipment Inspection (Article 5)	Laws and Regulations	Once, then changes	G/PSI/N/1/Add.8 28 September 1999	No laws/regulations relevant to the Agreement
Rules of Origin (Article 5 and Annex (II(4))	Non-preferential and preferential rules of origin	Within 90 days of the Agreement	G/RO/N/25 13 April 1999	Non-preferential and preferential rules of origin
Sanitary and Phytosanitary Measures (Annex B, para. 3)	Enquiry points	Ad hoc	G/SPS/ENQ/16 5 December 2003	The Ministry of Public Health is the enquiry point
Safeguards (Article 12.6)	Laws and Regulations	Once, then changes	G/SG/N/1/QAT/1 30 March 1998	No laws/regulations relevant to the Agreement
Subsidies and Countervailing Measures (Article 25.1) and GATT 1994 (Article XVI:1)	Specific subsidies	Annual	G/SCM/N/38/QAT 18 March 1999	No subsidy granted or maintained
Subsidies and Countervailing Measures (Article 32.6)	Laws and Regulations	Once, then changes	G/SCM/N/1/QAT/1 31 March 1998	No laws/regulations relevant to the Agreement
GATT 1994 (Article XVII:4(a) and Understanding on the interpretation of Article XVII:1)	State trading enterprises	Annual	G/STR/N/1/QAT 30 March 1998	No state trading enterprise maintained
GATS (Article III:4 or IV:2)	Enquiry point	Once, then changes	S/ENQ/78/Rev.5 2 December 2003	The Ministry of Economy and Commerce (MEC) is the enquiry point
TRIMS (Article 6.2)	Publications	Not specified	G/TRIMS/N/2/Rev.11 24 September 2003	No measures inconsistent with the Agreement; the legislation is published in the *Official Gazette*
TRIPS (Article 63)	Review of legislation	Not specified	IP/C/W/346 5 June 2002	Responses from Qatar
TRIPS (Article 69)	Contact point	Once, then changes	IP/N/3/Rev.8, 20 October 2004	The Department of Commerce of the MEC is the contact point
TRIPS (Article 63.2)	Laws and Regulations	Once, then changes	IP/N/1/QAT/2 21June 2002	List of main laws and regulations
Quantitative Restrictions (Decision of the Council for Trade in Goods (G/L/59)	Notification procedures for quantitative restrictions	Every two years, from 31 January 1996	G/MA/NTM/QR/1/Add.6 20 September 1999	Quantitative restrictions maintained

Source: WTO documents.

18. As a developing country, Qatar had a transition period to implement some of its commitments under various WTO agreements. Qatar has not yet implemented the WTO Agreement on Customs Valuation (Chapter III(2)(i)).

19. Qatar has expressed a number of concerns about its difficulties in implementing the WTO Agreements, as well as about the dangers of marginalizing developing and least developed economies. Implementation of some of its obligations resulting from the WTO Agreements, despite the

transitional period, has proven difficult. In this regard, Qatar has indicated that several provisions (in WTO Agreements) on special and differential treatment for developing countries require clarification and "operationalization" in order to achieve their desired objectives. Qatar has also urged WTO Members to increase the share of technical assistance in the WTO budget.[21]

20. Qatar grants at least most-favoured-nation (MFN) treatment to all its trading partners. It strongly favours trade liberalization through the multilateral framework; the rules-based multilateral system should contribute to the further integration of least developed and developing countries into the world economy. Qatar believes that its membership of the WTO also sends a strong message to potential foreign investors about its commitment to a rules-based system.[22]

21. Qatar hosted the Fourth Ministerial Conference of the WTO, where the Doha Development Agenda (DDA) was launched. Qatar's main interests in the DDA include the elimination of agricultural subsidies, greater access to non-agricultural products, trade facilitation, and free movement of natural persons. In this regard, Qatar has called on developed countries to liberalize trade at a faster rate by removing the various obstacles that have so far deprived developing countries of their right to also enjoy substantial benefits from international trade relations. Moreover, Qatar has indicated that "there should be agreement on specific measures to ensure sufficient financial flows, especially FDI, to developing countries to assist them in building the production capacity they need to compete on the world market".[23] Qatar also supports the strengthening of technical assistance programmes for developing countries.

(ii) Regional agreements

(a) Gulf Cooperation Council (GCC)

22. The GCC was created on 25 May 1981 by Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. Behind its formation was a general perception by these countries of their vulnerability arising from their oil wealth, their small and dispersed populations (28 million), their vast surface area (2.6 million square kilometres), and their limited military capabilities in a generally unstable region.[24] The main objectives of the GCC Agreement are regional coordination, integration, and cooperation in all economic, social, and cultural affairs, including trade, industry, investment and finance, transport, communications, and energy. Specific objectives include freedom of movement of people and capital, establishment of a customs technical cooperation, harmonization of banking regulations, and financial and monetary coordination, including adoption of a common currency by 2007, with 2005 as the deadline for agreement on the convergence criteria. The GCC was notified to the GATT, under the enabling clause, on 11 October 1984.[25]

23. The GCC customs union entered into force on 1 January 2003, with the adoption of an across-the-board tariff of 5% on most products (Chapter III(2)(iv)). However, there are still some tariff rate differences amongst GCC countries, and the practical details of numerous trade issues have yet to be addressed, including defining a list of products subject to rates higher than 5%, standards and technical regulations, and revenue distribution. The agreement provides duty-free access for all goods produced in the GCC countries, provided that the goods meet the required origin criteria, i.e. full

[21] WTO document WT/MIN(99)/ST/105, 2 December 1999.
[22] WTO document WT/MIN(99)/ST/105, 2 December 1999.
[23] Speech by the Emir of Qatar before the 59th Session of the UN General Assembly, 21 September 2004.
[24] European Commission (2003b).
[25] WTO (2000).

production/transformation, or at least 40% value added within GCC factories (factories at least 50% owned by GCC nationals).[26]

24. The GCC is currently negotiating a free-trade agreement with the European Communities (EC)[27], which had set as a condition for its conclusion the constitution of the GCC customs union. The EC established a Commission delegation in Riyadh in 2003 to accelerate the ongoing free-trade area negotiations.[28] In 1989, the GCC and EC concluded a Cooperation Agreement under which the EC and GCC foreign ministers hold a Joint Council/Ministerial meeting once a year. The objective of this agreement is to facilitate trade relations, and to contribute to strengthening stability in a strategic part of the world.[29]

25. On 6 July 2004, the GCC and China signed a framework agreement on economic, trade, investment, and technical cooperation. A possible free-trade agreement is also under discussion.[30]

(b) Greater Arab Free-Trade Area (GAFTA)

26. The Greater Arab Free-Trade Area (GAFTA)[31], signed on 19 February 1997, and in force since 1 January 1998, is expected to eliminate all trade barriers among its members without exceptions, by early 2005. The establishment of the GAFTA commenced in January 1998, through the reduction of customs duties. Already 80% tariff reductions have been achieved. The principal entity responsible for implementing the programme is the Economic and Social Council of the Arab League. Currently, all members are implementing the programme except Somalia. The GAFTA has not yet been notified to the WTO.

(iii) Bilateral agreements

27. Qatar has not signed any bilateral trade agreements. However, trade agreements are under consideration with the United States[32], and with Singapore.

(iv) Other preferential arrangements

28. Under the Generalized System of Preferences (GSP), exports of certain Qatari products receive non-reciprocal preferential treatment from the EC, Turkey, and Switzerland.

29. Qatar is not a member of the agreement on the Global System of Trade Preferences (GSTP) among developing countries.

[26] U.S. Department of State (2001).
[27] See WTO (2004) for details.
[28] European Commission (2003a).
[29] European Commission (2003b).
[30] *Xinhua Financial Network*, 7 July 2004.
[31] The GAFTA members are: the GCC countries plus Egypt, Iraq, Jordan, Lebanon, Libyan Arab Jamahiriya, Morocco, Palestinian Authority, Somalia, Sudan, Syrian Arab Republic, Tunisia, and Yemen.
[32] On 19 March 2004, Qatar and the United States signed a Trade and Investment Framework Agreement (TIFA). Under TIFA, a Joint Council was created to expand bilateral trade and investment; the Council is assessing the possibility of negotiating a bilateral free trade agreement. USTR Press Release, 19 March 2004. Available at: http://www.ustr.gov/Document_Library/Press_Releases/2004/March/United_States_Qatar_Sign_Trade_Investment_Framework_Agreement.html [13 October 2004].

(5) INVESTMENT FRAMEWORK

30. A major factor in Qatar's policy to encourage economic diversification has been the abolition of certain restrictions from the investment regime to provide opportunities to foreign investors. Consequently, Qatar issued a new Investment Law (Law No. 13 of 2000), to replace Law No. 25 of 1990, which restricted all foreign-ownership to a maximum of 49% and did not allow foreigners to lease property or invest in privatized public services. Under the 2000 Investment Law, a company can be 100% foreign owned in selected sectors, such as agriculture, industry, tourism, education, health, and natural resources, subject to prior government approval and provided that the company is duly established (Chapter III(4)(i)). Foreign equity is limited to 49% in the remaining sectors[33]; foreign investment is still not allowed in banking, insurance, commercial representation, and purchase of real estate.[34]

31. The 2000 Investment Law gives foreign investors the right to lease land for setting up enterprises for up to 50 years, renewable (subject to government approval) for another 50 years.[35] Under the Law, foreign investment shall not be subject to expropriation unless this is in the "public interest" and in return for appropriate compensation (Article 8). Foreign investors are free to import and repatriate funds, as well as transfer profits and assets, and exchange money (Article 9). Investment disputes can be settled through domestic or international commercial arbitration panels (Article 11).

32. The authorities have been implementing other measures to improve the business and investment climate, such as establishing a one-stop window for investment procedures in order to shorten the approval process for land and industrial licences.[36] They have also been allowing foreigners to participate directly in Qatar's privatization programme since the first public offering of shares on the partial privatization of the state-owned (Q-Tel) (Chapter III(4)(iii)). Foreigners may invest in other publicly offered companies indirectly through local investment firms.

33. A new Commercial Companies Law (Law No. 5 of 2000) was enacted on 29 May 2002, replacing the Commercial Companies Law No. 11 of 1981, as amended; and the Commercial Agency Law (Law No. 8 of 2002) was issued on 9 June 2002. Under the new Laws, parallel imports of certain products are subject to a 5% commission (on the f.o.b. import value) on behalf of local agents with distributor rights. The vast majority of foreign firms operating in Qatar are still required to import certain products through local agents. Only firms granted 100% foreign-ownership are excluded from the local agent requirement with distributor rights. In general, foreign commercial presence in Qatar is required for the purposes of technology transfer, R&D programmes, technical or marketing assistance, and education or training of local labour force.

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[33] The restriction can be waived by an Emiri Decree.

[34] Law No. 2 of 2002 allows citizens of GCC states to own a single residential property in specified areas and subject to certain conditions.

[35] Decree Law No. 17, issued on 7 June 2004, allows foreigners to buy and own one or more houses in Qatar for 99 years, extendable for a similar period, in selected housing projects. It also permits the owner to transfer the property to his/her legal heirs. Decree Law No. 17 will come into force after the Council of Ministers approves some supporting measures. It is aimed at allowing long-time expatriate managers and businessmen to remain and develop their business in Qatar (Economist Intelligence Unit, 2004).

[36] IMF (2002).

34. The law on corporate income tax does not apply to Qatari-owned firms. Other firms are subject to the tax, with rate brackets ranging from zero to 35% of net profits.[37] In addition, companies must hire a specified percentage of Qatari employees (Chapter IV(4)(ii)).

35. Under the 2000 Investment Law and the 2004 Law and Instructions of Income Tax, Qatar may grant a tax holiday of five to ten years for new investment in agriculture, industry, trade, petroleum, mining, tourism, land reclamation, transport, or any socially and economically beneficial activity/project needed by Qatar.[38] Foreign companies may be granted tax exemptions on a case-by-case basis through an Emiri Decree, an analysis by the Tax Exemption Committee, and after recommendation by the Ministry of Finance.[39] The Government provides other investment incentives (Chapter III(4)(i)).

36. There are no restrictions on investment abroad by Qatari nationals.

37. Qatar has signed 16 bilateral investment protection agreements, with Romania (1996), Germany (1996), France (1996), Bosnia-Herzegovina (1998), Senegal (1998), Sudan (1998), China (1998 and 1999), India (1999), Iran (1999), Republic of Korea (1999), Morocco (1999), Croatia (2001), Cuba (2001), Finland (2001), Switzerland (2001), and Turkey (2001). It has signed three double taxation avoidance agreements, with India (1999), Pakistan (1999), and Romania (1999).[40]

38. Qatar is not a member of the Multilateral Investment Guarantee Agency (MIGA).

[37] The tax rates and corresponding amounts are: zero (below QR 100,000); 10% (from QR 100,001 to QR 500,000); 15% (from QR 500,001 to QR 1,000,000); 20% (from QR 1,000,001 to QR 1,500,000); 25% (from QR 1,500,001 to QR 2,500,000); 30% (from QR 2,500,001 to QR 5,000,000); and 35% (from QR 5,000,001 and above).

[38] The exemption period starts from the date of commencing the project. Qatar's Minister of Finance can recommend tax exemptions for five years, while a tax exemption for more than five years but not exceeding ten years needs the approval of the Council of Ministers.

[39] The Tax Exemption Committee is composed of two representatives each from the Ministry of Finance and the Ministry of Economy and Commerce, and one representative each from the Ministry of Energy and Industry, and Qatar Chamber of Commerce and Industry.

[40] UNCTAD (2004).

III. TRADE POLICIES AND PRACTICES BY MEASURE

(1) INTRODUCTION

1. As a result of its participation in the Gulf Cooperation Council (GCC) customs union, Qatar has been applying the GCC common external tariff (CET) since 1 January 2003. The adoption of the CET by Qatar increased its simple average MFN duty rate from 4.2% in 2002 to 5.2% in 2004 (Table III.1); *ad valorem* rates account for 99% of total tariff lines, the tariff also comprises alternate duties. MFN applied tariffs average 7.1% on agricultural products (WTO definition), and 4.8% on non-agricultural products. Using ISIC (Revision 2) definition, manufacturing, and mining and quarrying are granted almost the same level of average tariff protection (5.3% and 5%, respectively); the average tariff for agriculture is 3.3%. All of Qatar's tariff lines are bound, generally at ceiling rates, leaving margins for applied tariff increases. Moreover, the imposition of non-*ad valorem* tariffs (1% of total tariff lines) may not ensure compliance by Qatar with its binding commitments made at *ad valorem* rates.

Table III.1
Structure of MFN tariffs in Qatar, 2004
(Per cent)

	2004	U.R.
1. Bound tariff lines (% of all tariff lines)	100.0	100.0
2. Duty-free tariff lines (% of all tariff lines)	5.8	0.9
3. Non-*ad valorem* tariffs (% of all tariff lines)[a]	1.0	0.0
4. Tariff quotas (% of all tariff lines)	0.0	0.0
5. Non-*ad valorem* tariffs with no AVEs (% of all tariff lines)	1.0	0.0
6. Simple average tariff rate	5.2	16.0
Agricultural products (WTO def.)[b]	7.1	25.7
Non-agricultural products (WTO def.)[c]	4.8	14.5
Agriculture, hunting, forestry and fishing (ISIC 1)	3.3	17.1
Mining and quarrying (ISIC 2)	5.0	21.9
Manufacturing (ISIC 3)	5.3	15.8
7. Domestic tariff "spikes" (% of all tariff lines)[d]	0.5	0.8
8. International tariff "spikes" (% of all tariff lines)[e]	0.5	18.7
9. Overall standard deviation of applied rates	7.0	16.3
10. "Nuisance" applied rates (% of all tariff lines)[f]	0.0	0.0

a 2004 data include prohibited lines as well as "special goods" duty.
b WTO Agreement on Agriculture.
c Excluding petroleum.
d Domestic tariff spikes are defined as those exceeding three times the overall simple average applied rate (indicator 6.).
e International tariff peaks are defined as those exceeding 15%.
f Nuisance rates are those greater than zero, but less than or equal to 2%.

Source: WTO Secretariat calculations, based on data provided by the Qatari authorities.

2. Qatar is yet to implement the WTO Agreement on Customs Valuation. The documentation for all imported products must be authenticated by the Qatari Embassy in the country of origin. Parallel imports of certain products are subject to a 5% commission (on the f.o.b. import value) on behalf of local agents with distributor rights. Qatar's public procurement regime provides for 10% and 5% price preferences for local and GCC products, respectively.

3. In line with its commitments under the WTO, Qatar enacted, in 2002, new laws on patents, copyrights and neighbouring rights, trade marks, geographical indications, and industrial designs; while laws on topography of integrated circuits and undisclosed information are being prepared, Qatar faces some difficulties in enforcing its legislation. Qatar has no competition legislation, nor laws and/or regulations relevant to the WTO Agreements on Anti-Dumping, Subsidies and Countervailing Measures, and Safeguards.

4. The Government of Qatar has a direct and strong influence on the economy, mainly through public enterprises. Some of these are sheltered from competition and some represent a drain on public revenue. Recognizing the need to increase efficiency, reduce the pressure on public resources, and increase participation by the private sector in the economy, a privatization programme is in progress in some economic activities, such as gas transport, steel, and fertilizer industries, as well as in certain services subsectors.

(2) MEASURES DIRECTLY AFFECTING IMPORTS

(i) Registration

5. In order to trade, all companies must be registered with the Ministry of Economy and Commerce (MEC) and obtain a commercial registration for a fee of QR 35, according to the Commercial Registration Law No. 11 of 1962, amended in 1987. Under Customs Law No. 40 of 2002, all professional importers and exporters are required to be listed in the Register of the MEC, and become members of the Qatar Chamber of Commerce and Industry. Application forms in Arabic, and other documents (e.g. passport copy, identity cards for partners with attested agreement to establish a firm, photocopy of lease agreement, and delegation of authority) must be submitted to both the Director of Commerce and the Controller of Companies of the MEC.

6. Once the formalities with the MEC are complete, applicants must request the Ministry of Municipal Affairs and Agriculture (MMAA) for an inspection of the premises, since business activities may not be undertaken in certain prohibited areas. Processing of applications by the MMAA costs QR 1,200 and the authorization is valid for two years. According to the authorities, this procedure applied until 20 October 2004. As from 21 October 2004, a one-stop shop allows one-day registration. In addition, applicants are then required to register with the Qatar Chamber of Commerce and Industry, and pay QR 500 per year for membership.

(ii) Customs procedures and valuation

7. Most imports into Qatar, except those of low pecuniary value (up to QR 5,000) and those intended for own use, require licences. In addition to import licences, to clear goods from customs zones at ports or land boundaries, importers must submit, *inter alia,* a certified *pro forma* invoice, a bill of lading (airway bill for air cargo and sea bill for sea cargo), a certificate of origin (if required).[1] Commercial invoices must be certified by the Commercial Department of the Qatari Embassy in the country of origin.[2] Certification fees are charged on the basis of the invoice value and range from QR 100 on an invoice of QR 5,000 up to 4% of the value of an invoice in excess of QR 1 million.[3] If imported good has not been certified, customs duties are paid plus 5% of the value of the good for guarantee. If certification is not made within 90 days, the deposit goes to Qatar's Treasury.

8. The use of clearing agents is compulsory for commercial imports. Clearing agents can arrange shipment and insurance at the port of entry, clear goods through customs, forward them to their destination, and often collect payments from importers. Qatar has notified the WTO that it has no laws or regulations on preshipment inspection.[4]

[1] The words "Persian Gulf" should not appear on any customs-related document (UK Trade and Investment, 2004).

[2] The following customs exit points are considered as Qatar's first entry points: Doha Seaport, Umm Said Seaport, Abu Samra Land, Ras Lafan Industrial, Al Khor Seaport, Al Wakra Seaport, Doha International Airport, Air Cargo, Al Shamal Seaport, General Post Office, Land Transport and Collins Seaport.

[3] UK Trade and Investment (2004).

[4] WTO document G/PSI/N/1/Add.8, 28 September 1999.

9. Imports of certain products, including meat of asses, mules or hinnies; ivory; certain drugs; asbestos; and some used pneumatic tyres are strictly prohibited. The importation of other goods is allowed selectively (special goods); these include swine, pork and pork products, and alcoholic beverages (section (iv) below).

10. The Customs and Ports General Authority was set up in November 2001 through an Emiri Decree to, *inter alia*, implement the laws and regulations related to customs, and administer customs matters, including the supervision of all imported and exported goods through the various customs points in Qatar and the prevention of customs evasion.[5] All customs procedures are fully computerized.

11. According to the authorities, the average length of time required for clearance of goods is between one and three hours, regardless of the mode of transportation, and provided everything is in order, including the documentation. Import duties must be paid or guaranteed at the time of customs clearance. Certain goods can be imported on "temporary basis" for a period of six months, renewable for a further six months. Prior approval of the Director General of the Customs and Ports General Authority is needed, and a cheque or bank guarantee equivalent to the normal duty to be paid on the imported products must be deposited with customs.[6] Customs duties are finally paid on the difference between the new and used value of the products.

12. Qatar is yet to implement the WTO Agreement on Implementation of Article VII of the GATT 1994 (Customs Valuation), and has not notified the WTO of its legislation on customs valuation. The customs value of imported goods is generally based on reference prices, mainly used in cases of under-valuation.

13. In cases of disagreements concerning valuation decisions by the Customs and Ports General Authority, the importer may (without prejudice to its right to appeal to court) appeal before a Valuation Committee (composed of Qatari administration officers) within 15 days following the registration of the customs declaration or from the date the valuation notice was sent. Decisions by the Valuation Committee must be taken by majority and are effective once approved by the Customs and Ports General Authority. The importer must be informed in writing of the decision taken by the Committee.[7] According to the authorities, so far, all problems have been solved at the level of the Committee, and mostly have referred to the value.

14. Qatar has been a member of the World Customs Organization since 1994.

(iii) Rules of origin

15. Qatar applies two different sets of rules of origin: non-preferential and preferential.[8] As part of its obligations under the Gulf Cooperation Council (GCC) customs union, Qatar applies the same non-preferential rules of origin as the other five GCC member states with respect to imports from third countries. Under the GCC rules of origin, products are considered as originating from the country where they are wholly obtained or where they underwent substantial transformation (at least 40% of value added).

16. Qatar's preferential rules of origin are based on the value-added content. For products imported under the Greater Arab Free-Trade Area, local value-added of at least 20% (40% in practice) is required in order to qualify for preferential treatment.

[5] Ministry of Foreign Affairs (undated), *Communications and Transport*.
[6] UK Trade and Investment (2004).
[7] Article 60 of the Customs Law.
[8] WTO document G/RO/N/25, 13 April 1999.

(iv) Tariffs, other duties, and taxes[9]

(a) General features

17. Qatar has applied the GCC common external tariff (CET) since 1 January 2003. The CET is based on the 2002 Harmonized Commodity Description and Coding System (HS), and comprises 7,154 lines at the HS eight-digit level. Of these, 7,085 lines (99% of the total) are *ad valorem* while 69 are alternate, i.e. 19 lines of tobacco and tobacco products; 18 of prohibited products (e.g. drugs, ivory, asbestos, and used pneumatic tyres); and 32 of selectively prohibited (special) goods, such as swine, pig meat, and pig products. *Ad valorem* tariffs range from zero to 100% and are levied on the c.i.f. value. The tariff has four rates: zero, 5%, 20%, and 100%.

18. Qatar applies seasonal tariffs to imports of some fruits and vegetables, e.g asparagus, olives, pumpkins, and grapes.

(b) MFN applied tariff structure

19. In 2004, Qatar's simple average MFN applied tariff is 5.2% (Tables III.1 and AIII.1), compared with 4.2% in 2002 (before applying the GCC's CET).[10] The coefficient of variation of 1.34 reveals high dispersion of the tariff rates that range from zero to 100%. As can be seen in Chart III.1, the modal rate (the most frequent tariff band) is 5%; it applies to 6,648 tariff lines (93% of the total).[11] Duty-free items (417 tariff lines, or 5.8% of the total) include basic food products such as wheat, flour, rice, feed grains, and powdered milk; while two tariff lines (iron from 10mm to 32mm) have a 20% duty rate, and 37 tariff lines (0.5% of the total, i.e alcoholic beverages, and tobacco and tobacco products) are subject to the highest tariff rate of 100%.

20. MFN applied tariffs average 7.1% on agricultural products (WTO definition)[12], and 4.8% on non-agricultural goods. Using ISIC (Revision 2) definition, manufacturing, and mining and quarrying are granted broadly the same level of average tariff protection (5.3% and 5%, respectively); the average tariff is 3.3% in agriculture.

21. In aggregate, Qatar's tariff displays positive escalation, from first-stage processed products, with an average tariff rate of 4%, to semi-finished goods, with an average rate of 4.9%, to fully processed products, on which tariffs average 5.6%. This structure reflects the relatively low tariffs in agriculture. Otherwise, tariffs are uniform from the first to the final stages of processing in many industries (Chart III.2). Tariff escalation is mixed (negative from the first to the second stage, and then positive) in food and beverages, and basic metal products, and negative from semi-finished goods to finished products in a few industries.

[9] With the exception of a 5% commission, Qatar does not apply any other charges, taxes or levies. However, the possibility of introducing the consumption tax on some products (e.g. on tobacco and luxury products), as from 2005, is being considered within the GCC customs union. Gulf Times, 20 October 2004.

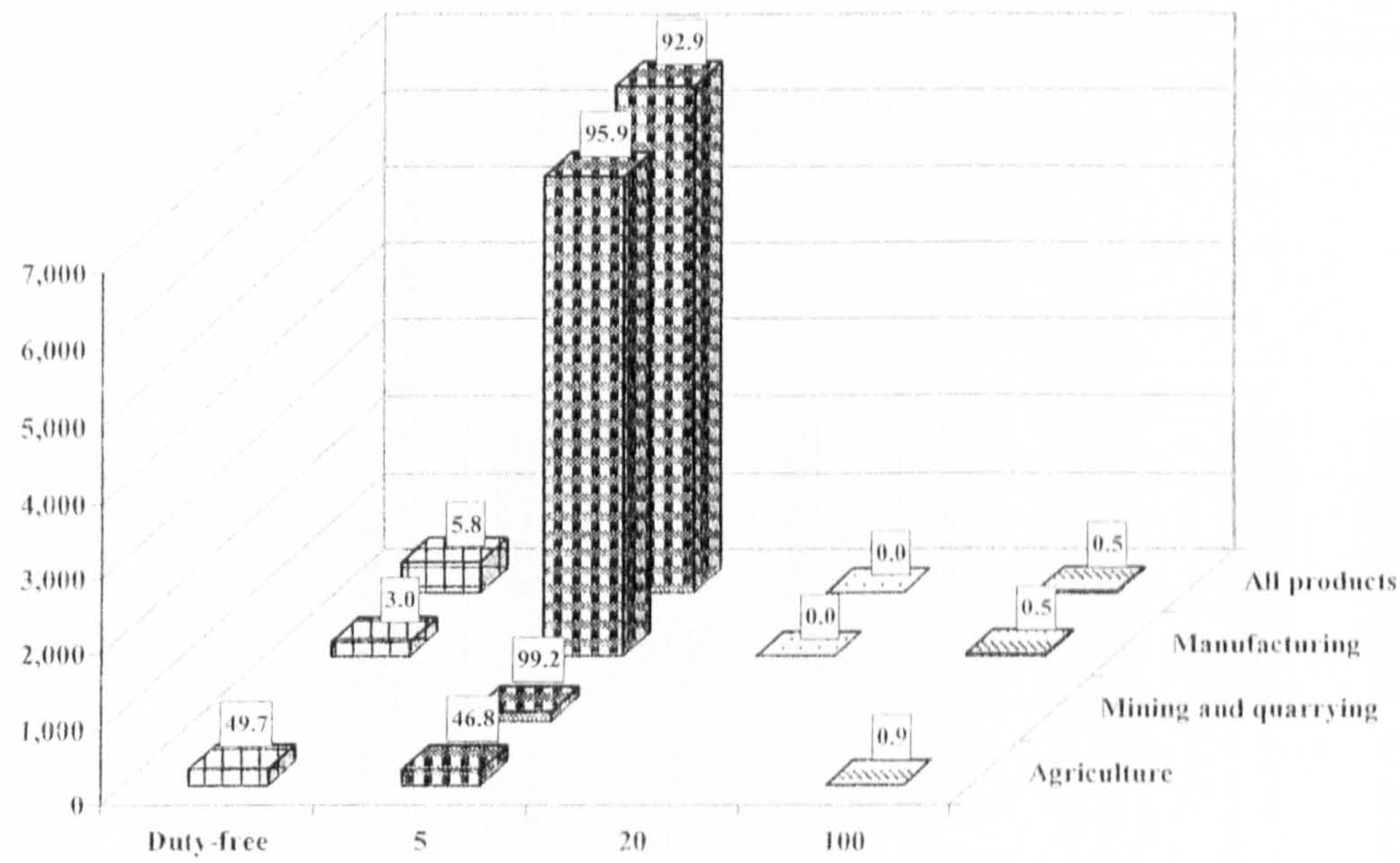
[10] WTO (2004a).

[11] Total tariff lines excluding 49 lines related to "special" goods, and 18 lines on prohibited products.

[12] The WTO definition of agriculture covers: HS Chapters 01-24, less fish and fishery products (HS 0301-0307, 0509, 051191, 1504, 1603-1605 and 230120), plus some selected products (HS 290543, 290544, 290545, 3301, 3501-3505, 380910, 382311-382319, 382360, 382370, 382460, 4101-4103, 4301, 5001-5003, 5105-5103, 5201-5203, 5301 and 5302).

Chart III.1
Applied MFN tariff distribution by sector (ISIC 1 definitions)[a], 2004

Number of lines



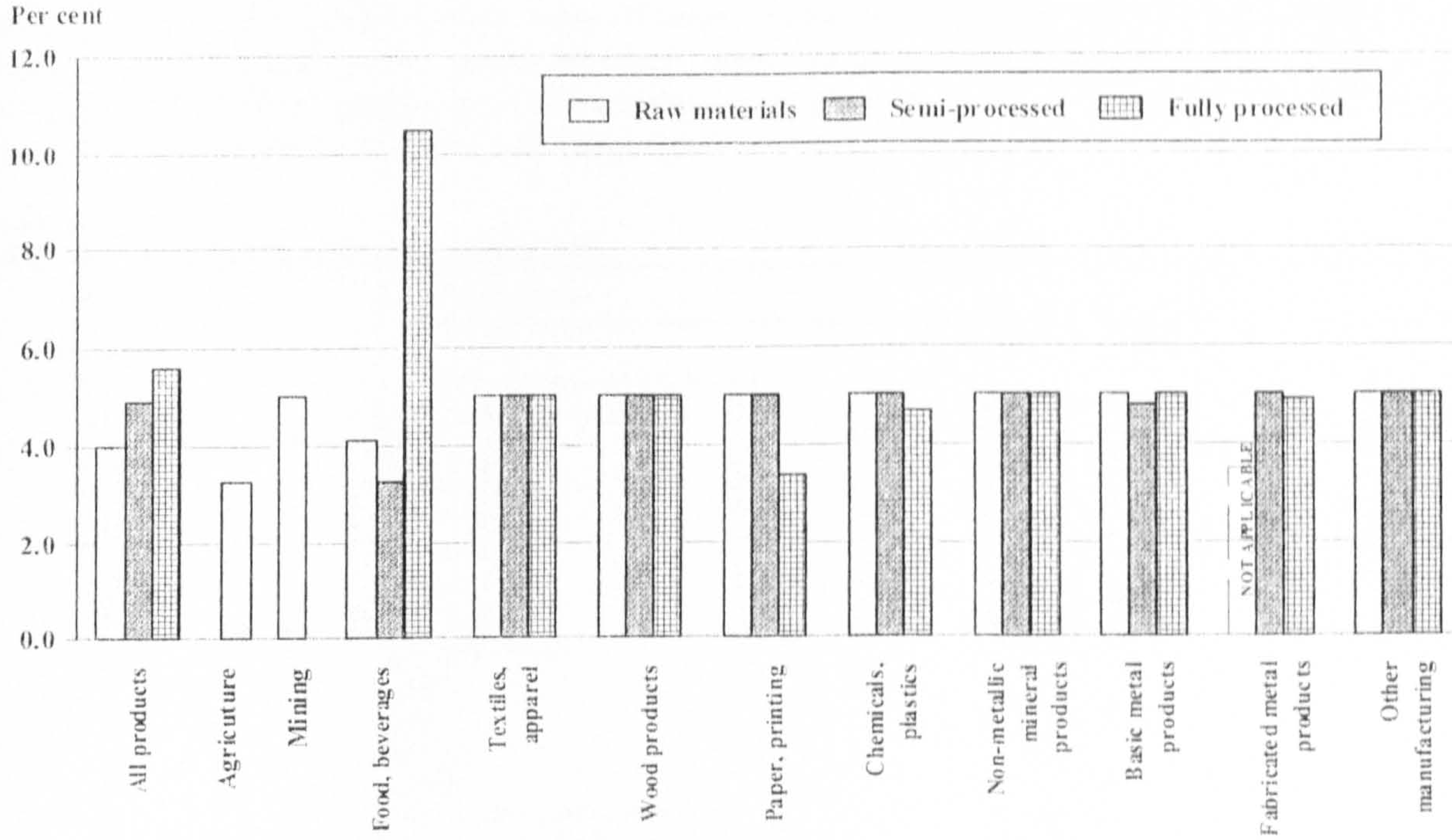
a Labels are share of the total number of tariff lines, including non-*ad valorem* duties, by sector. Due to the non-use of some of the non-*ad valorem* duties in the calculations, the figures may not sum to 100%.

Source: WTO Secretariat calculations, based on data provided by the Qatari authorities.

(c) MFN bound tariffs

22. As a result of the Uruguay Round, Qatar bound all its tariffs lines at *ad valorem* rates ranging from zero to 200%. The majority of tariff lines (60.6% of the total) were bound at 15%, while 0.9% (e.g. organic chemicals, and pharmaceutical products) were bound at zero, and 0.7% (e.g. swine, alcoholic beverages, and tobacco and tobacco products) at 200%. For most products, applied rates are well below the bound rates, thus allowing Qatar margins to increase its import tariffs. The simple average bound rate is 16%, compared with a simple average applied MFN rate of 5.2% in 2004 (Table III.1). Furthermore, the imposition of non-*ad valorem* tariff rates does not ensure compliance by Qatar with its WTO binding commitments made at *ad valorem* rates on the products to which it applies non-*ad valorem* tariffs. Moreover, on 32 tariff lines at the HS eight-digit level (i.e. 29011010 to 29029090), the applied MFN rate of 5% is above the bound rate of zero.

Chart III.2
Tariff escalation by ISIC 2-digit, 2004



Source: WTO Secretariat estimates, based on data provided by the Qatari authorities.

(d) Other duties and taxes

23. For all products subject to binding commitments, Qatar bound other duties and charges (stamp duty) at 3% of customs duty. The stamp duty is not currently applied. Qatar applies a 5% commission on parallel imports of goods for which local agents hold distributor rights, and a 17% service fee on hotel bills.[13]

(e) Duty and tax concessions

24. Qatar allows duty-free imports of machinery and equipment, and of raw and semi-finished materials not available locally. Qatar grants duty concessions selectively on imports. In recent years, selective duty exemptions have been granted on construction materials and equipment to the principal contractors working on certain projects, for example in the oil, gas, water, and electricity subsectors.

25. Duty-free imports are allowed for, *inter alia*, international organizations, diplomatic missions, the armed forces, police, and charity institutions.

(f) Tariff preferences

26. Imports from the other five member states of the GCC enter Qatar duty free, provided that the goods meet the origin criteria (section(2)(iii) above). Qatar provides preferential tariff margins of 80% on all imports from the other members of the GAFTA, the goal being to establish a free-trade area by early 2005 (Chapter II(4)(ii)(b)).

[13] The commission is collected on behalf of the local agents.

(v) Import prohibitions, restrictions, and licensing

27. Import prohibitions are in place for various reasons, including international conventions, environment, and health and safety (Table III.2). Prohibitions apply to 18 product categories (at the HS eight-digit level) ranging from meat of asses, mules or hinnies, to certain drugs, asbestos, and some used pneumatic tyres. Some 49 other categories of goods (at the HS eight-digit level) are selectively prohibited (special goods) by Qatar on religious or moral grounds; these include swine, pork and pork products, and alcoholic beverages.

Table III.2
Import prohibitions and restrictions, November 2004

HS code	Description of items
Prohibited goods	
02050090	Other meat of asses, mules or hinnies
05071000	Ivory; ivory waste and powder
09082000	Mace
12079100	Poppy seeds
12079910	Poppy
12079920	Hemp seeds
12113000	Coca leaf
12114000	Poppy straw
12119020	Black poppy plants
13021100	Opium
13021910	Hashish
25240000	Asbestos
29399110	Cocaine
40121100	Tyres of a kind used on motor cars
40121200	Tyres of a kind used on buses or lorries
40121300	Tyres of a kind used on aircraft
40121900	Tyres, other
40122000	Used pneumatic tyres
Selectively prohibited goods ("special goods")	
01031000	Pure-bred breeding swine animals
01039100	Other swine weighing less than 50 kg
01039200	Other swine weighing 50 kg or more
02031100	Swine carcasses and half-carcasses, fresh
02031200	Hams, shoulders and other cuts of swine, fresh
02031900	Other fresh swine meat
02032100	Swine carcasses and half-carcasses, frozen
02032200	Hams, shoulders and other cuts of swine, frozen
02032900	Other frozen swine meat
02063000	Swine offal, fresh or chilled
02064100	Swine livers, frozen
02064900	Other swine offal, frozen
02090010	Pig fat
02101100	Hams, shoulders and cuts from swine, salted, brine, etc.
02101200	Swine bellies (streaky) and cuts, salted, brine, etc.
02101900	Other swine offal and flour, salted, brine, etc.
05021000	Pigs', hogs' or boars' bristles
15010030	Lard and other pig fats
15030011	Styrene of pig
15030021	Margarine of pig
15030091	Fat of pig
16010011	Sausage of pig or animal blood
16010021	Canned sausage of pig or animal blood
16010031	Frozen sausage of pig
16024100	Prepared hams and similar cuts of swine
16024200	Prepared ham shoulders and similar cuts
16024900	Other prepared swine meat

Table III.2 (cont'd)

HS code	Description of items
16029030	Preparations of animal blood
17049080	White chocolate with alcohol
18063110	Chocolate with alcohol
18063210	Non-stuffed chocolate with alcohol
22030000	Beer made from malt
22041000	Sparkling wine
22042100	Other wine in containers holding 2 litres or less
22042900	Other wine over 2 litres
22043000	Other grape must
22051000	Vermouth, etc., in containers of 2 litres or less
22059000	Other vermouth, etc., over 2 litres
22060000	Other fermented beverages like cider and mead
22072090	Other ethyl alcohol of any strength, denatured
22082000	Spirits obtained by distilling grape wine
22083000	Whiskies
22084000	Rum and tafia
22085000	Gin and geneva
22086000	Vodka
22087000	Liqueurs and cordials
22089090	Other denatured ethyl alcohol under 80%
23070010	Wine lees
41132000	Leather of swine

Source: Information provided by the Qatari authorities.

28. In 1998, Qatar notified the WTO that it had no import licensing procedures in place[14]; it maintains no import licence requirements. However, permits are required for specified importation of prohibited and special goods.

29. Imports controls are applied on sanitary, phytosanitary, and Islamic grounds, by means of certificates (section (vii)(b)). In addition, pharmaceutical products must be imported directly from a manufacturer with a research department, and the products must be licensed in the country of manufacture.[15]

(vi) Contingency trade remedies

(a) Anti-dumping and countervailing measures

30. Qatar has notified the WTO that it has no laws and/or regulations on anti-dumping and countervailing measures.[16] Anti-dumping legislation is being considered under the GCC customs union. No anti-dumping or countervailing actions have been taken by Qatar.

(b) Safeguard measures

31. Qatar has no legislation on safeguards.[17] It has never applied any safeguard measures, and has not so far taken any action under GATT Article XIX.

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[14] WTO document G/LIC/N/1/QAT/1, 2 April 1998.
[15] UK Trade and Investment (2004).
[16] WTO documents G/ADP/N/1/QAT/1 and G/SCM/N/1/QAT/1, 31 March 1998.
[17] WTO document G/SG/N/1/QAT/1, 30 March 1998.

(vii) Standards and other technical requirements

(a) Standards, testing, and certification

32. On 8 November 2004, Qatar notified the WTO that it accepted the TBT Code of Good Practice, and named the Qatar General Organization for Standards and Metrology (QGOSM) as its enquiry point.

33. The QGOSM was established in October 2002, under Law No. 16 of 2002, to replace the Standards Office of the MEC. Almost all Qatari standards are based on standards developed by the Gulf Standardization and Metrology Organization of the GCC (GSMO), based in Riyadh (Saudi Arabia). As part of the GCC customs union, member states are working towards harmonizing their standards system, but differences still exist. Qatar-specific standards are developed only when necessary and when no Gulf standard exists. There are currently 26 Qatari-specific standards (25 mandatory and one voluntary) on building, mechanical, and food products. Qatari standards must be published in the *Official Gazette* and normally come into effect after a period of 3-6 months.

34. GCC-wide standards are formulated by the GSMO (following a proposal from a member body) and require support from all member countries in order to be included in the Gulf standards work programme.[18] Once approved, GSMO standards are circulated to all GCC member states to be adopted as voluntary or mandatory standards. In Qatar, all GSMO standards are adopted by the QGOSM; all proposed standards are examined by QGOSM. GCC members have five years to harmonize any voluntary national standard with regional requirements; the regional standard becomes mandatory once harmonized. There are 1,699 GCC standards (end October 2004), of which 331 (19.5%), relating mainly to food products, are mandatory. According to the authorities, although GCC standards have not been reviewed to establish conformity with international standards, they are based, to some extent, on international standards; the GSMO is reviewing conformity of its standards with international standards.

35. All mandatory standards apply equally to locally produced and imported products. Imported products requiring conformity certificates are given automatic entry if the product has been tested by an accredited laboratory. If not, conformity assessment may be carried out, for example, by the Ministry of Public Health on food products. Qatar has no certification system: if the standard is simple, a check is carried out upon import, if it is complicated, self-declaration is accepted.

36. Qatar is a member of the International Organization for Standardization (ISO), as well as regional standardization organizations, including the Arab Centre for Standardization and Metrology under the Arab Industrial Development and Mining Organization (AIDMO).

(b) Sanitary and phytosanitary measures

37. Qatar's enquiry point under the WTO SPS Agreement is the Ministry of Public Health (MPH).[19] All imports, exports, and domestic production of plants and animals are subject to inspection by the Agricultural Quarantine Unit of the Ministry of Municipal Affairs and Agriculture.

38. Under Law No. 12 of 1991 concerning agriculture quarantine and executive regulation, all imports of plants must be accompanied by an agricultural clearance certificate issued by the appropriate authorities in the country of export. Phytosanitary certificates are also required for

[18] If national proposals are not accepted by all GCC members, they may be adopted as national standards.

[19] WTO document G/SPS/ENQ/16, 5 December 2003.

imports of flour, rice, wheat seed, and agricultural seeds and plants. The Agricultural Quarantine Unit also examines and issues health certificates for all agricultural products prior to their export.

39. Health certificates and prior permission are required from the MPH for imports of live animals from all countries, but prior permission may not be required for imports from GCC members. Health certificates are required for all birds. Cats and dogs may be imported from all countries, and must be accompanied by a health certificate from the competent authority stating that the animal is free from rabies.

40. Imports of foodstuffs are monitored and tested by the MPH to ensure compliance with national food standards, and must be accompanied by a certificate declaring them free of radiation, dioxin, and cyclamate. According to the authorities, these requirements also apply to locally produced foodstuffs. Meat and poultry products must also be accompanied by a health certificate from the country of origin, and a halal slaughter certificate issued by an appropriate Islamic centre in the country of origin. Imported eggs must be stamped to distinguish them from locally produced eggs.

41. Imports of drugs and medicines should be registered with the department of drugs and pharmacy of the MPH.

42. Qatar is a member of the World Organization for Animal Health (OIE) and the Codex Alimentarius.

(c) Marking, labelling, and packaging

43. Labels on all consumer products must be in Arabic, or Arabic plus any other language, although a small number of products with labels only in English may be approved for import, on a case-by-case basis and for marketing test purposes. Labels must provide information on, *inter alia*, place of manufacture, identification of the manufacturer, product information, and standard quality disclosures. All food products must be clearly labelled with: product and brand names; production and expiry dates; country of origin; name of the manufacturer; net weight in metric units; and a list of ingredients and additives in descending order of importance. In addition, all fats and oils used as ingredients must be clearly identified on the label.[20]

44. As an Islamic country, Qatar has strict marking and labelling requirements for meat and poultry products. In addition to the mandatory labelling procedures followed in North America, packaged fresh or frozen meat and poultry must carry: bilingual labelling, of which one language must be Arabic; country of origin; production (slaughtering or freezing) and expiration dates, including the month; shelf-life of the product; metric net weight; product identification; and a statement that the product was slaughtered according to Islamic principles, if so required. Pre-packaged processed meat and poultry must be accompanied by production and expiration dates as well as the net weight of the product.[21]

45. National standards for packing are restricted to general-purpose polythene bags, such as shopping bags, which are required to have a minimum thickness of 40 microns, and garbage bags, which must have a minimum thickness of 60 microns.[22]

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[20] UK Trade and Investment (2004).
[21] UK Trade and Investment (2004).
[22] UK Trade and Investment (2004).

46. GCC standards have been criticized for being too restrictive. In particular, shelf-life standards are considered to be set at arbitrary levels that restrict imports of a variety of food products. Qatar has mandatory shelf-life standards for 75 food products. To be allowed entry, these products must arrive at the destination with at least half the shelf-life remaining. Shelf-life validity of all foodstuffs should not be less than six months at the time of entry of the products into Qatar. All food products are examined at government central laboratories before they reach consumers.[23]

(viii) Government procurement

47. The main legislation regulating government procurement in Qatar is Law No. 8 of 1976, amended by Law No. 10 of 1980, Law No. 9 of 1981, and Law No. 10 of 1990. The Central Tenders Committee (CTC), under the authority of the Minister of Finance, handles procurement worth US$25,000 and above, including the bidding process and awarding of contracts. Procurement below this threshold is usually processed by in-house tender committees in each Ministry.[24] The Public Work Authority is the Government's principal construction supervisor. It supervises contracts for civil construction and highway projects. The Ministry of Energy and Industry supervises certain projects in its specialized fields. The Ministry of Defence is in charge of defence equipment and services. Foreign firms interested in selling products and services to the Qatari Government must go through local agents, although Qatari ministries, government organizations and state-owned enterprises can and do buy directly from foreign firms.[25]

48. As a general rule, the Government does not award "turnkey" contracts, preferring to award separate contracts to consultants. The role of the consultant (usually a foreign firm) includes the task of short-listing firms to be invited to bid for projects. According to the authorities, Qatar employs mostly open tendering procedures. Single tendering is used for emergency cases or for special contracts when there is no other way to purchase a good. The value of a single tender purchase must not exceed QR 100,000.[26]

49. For larger projects, the CTC normally invites pre-qualification documents from short-listed foreign and/or local contractors or merchants. The Government announces invitations to pre-qualify in local and/or foreign papers and occasionally through Qatari embassies abroad. Law No. 10 of 1990 provides for classification of contractors by a committee operating under the CTC. The classification process is based on the firm's financial strength, business reputation, and experience. Although preference normally goes to the lowest bidder that meets all specifications, the CTC has waived this rule in the past without necessarily providing the reason (explanation is provided on request).[27]

50. Bid and performance bonds are required in the form of unconditional guarantees with a local bank. The standard bid bond is 5% of the contract value and the performance bond is 10%, although the rates can be higher for certain projects. Foreign firms are not required to have a local agent for the bid process; however, participating foreign firms need to have satisfied the local agent requirement by the time a contract is ready to be signed. Bids should be in Arabic unless the tender document specifically indicates that English is required.[28]

[23] USTR (2003).

[24] The CTC also handles procurement when a public user does not have its own committee. The Ministry of Defence, Qatar Petroleum, Qatar General Electricity and Water Corporation (Kahramaa), and Public Works Authority (among others) have their own committees.

[25] U.S. Department of State (2001).

[26] Article 51 of Law No. 10 of 1990.

[27] UK Trade and Investment (2004).

[28] U.S. Department of State (2001).

51. The State Purchase Office (SPO), a division of the CTC, handles all local purchase orders for equipment and supplies required by various government ministries. It handles bids worth hundreds of millions of dollars every year. The usual period for preparation of quotations is 30 days but is often less than three weeks after the announcement of tenders. Under these circumstances, an established local agency arrangement is de facto crucial for successful bidding. The Special Projects Office (also known as the SPO, but not connected to the State Purchase Office), in the Office of the Emir, used to handle private construction projects related to the residences of the Emir and immediate members of his family. This office was dissolved in July 1998.[29]

52. Unless otherwise stated in the contract, the standard clauses stipulate that disputes emanating from government contracts will be subject to settlement by Qatari courts.[30]

53. Foreign and local contractors are usually paid 20% of the contract as advance payment (maximum QR 5 million), against, *inter alia*, unconditional bank guarantees. Further payments are made according to a standard schedule, which almost always authorizes the Government to retain portions of payments due until after completion and acceptance of the project.

54. Qatar grants a 10% price preference for Qatari products and 5% price preference for GCC products in all government procurement.

55. Qatar is neither a member of nor an observer to the Plurilateral Agreement on Government Procurement concluded under the WTO.

(ix) Local-content requirements

56. Qatar has notified the WTO that it does not maintain any measures inconsistent with the Agreement on Trade-Related Investment Measures (TRIMs).[31]

(x) Other measures

57. Qatar does not apply any sanctions apart from those adopted by the United Nations Security Council. It does not maintain any compulsory reserve stocks.

58. No official countertrade or offsetting arrangements, or agreements designed to influence the quantity or value of goods and services imported by Qatar are currently in force. Likewise, the authorities are not aware of the existence of such agreements between Qatari and foreign companies.

59. Qatar has not taken any measures for balance-of-payment purposes.

(3) MEASURES DIRECTLY AFFECTING EXPORTS

(i) Registration and documentation

60. Similar registration and documentation requirements apply to exporters and importers in Qatar (section (2)(i) above).

[29] U.S. Department of State (2001).

[30] In general, appeals are first made to the CTC, then to the Minister of Finance, and ultimately to the courts.

[31] WTO document G/TRIMS/N/2/Rev. 11, 24 September 2003.

(ii) Export duties and taxes

61. No duties or taxes are levied by Qatar on its exports.

(iii) Export prohibitions and restrictions

62. According to the authorities, export prohibitions apply to alcoholic products. They also apply to, *inter alia,* species of fish and seafood products for food security reasons.

(iv) Export subsidies and assistance

63. In 1999, Qatar notified the WTO that it did not grant or maintain within its territory any subsidy within the meaning of Articles 1:1 (definition of a subsidy) and 2 (specificity) of the Agreement on Subsidies and Countervailing Measures, nor any subsidy that operated directly or indirectly to increase exports from or reduce imports into its territory within the meaning of Article XVI:1 (subsidies in general) of GATT 1994.[32]

64. Customs duties are suspended on goods stored in government bonded warehouses and destined for re-export. If the goods are sold in Qatar instead of being re-exported, the appropriate duties are levied. The Customs and Ports General Authority may inspect all goods stored in bonded warehouses. No distinction is made between locally owned and foreign-owned companies in respect of access to bonded warehouses.[33]

(v) Export finance, insurance, guarantees, and promotion

65. Qatar does not have any programmes for export finance, insurance, guarantees, or promotion.

(vi) Other measures

66. Qatar has no export-processing zones or free points.

67. According to the authorities, Qatar does not participate in any arrangements designed to curb or control exports to third countries at the request of foreign governments/companies, except those on oil and gas exports derived from its membership in the Organization of Petroleum Exporting Countries (OPEC) (Chapter IV(3)(ii)).

(4) MEASURES AFFECTING PRODUCTION AND TRADE

(i) Incentives

68. Qatar offers various investment incentives both to national and foreign investors. The purpose of the incentives is to encourage and orient investments, in order to promote the country's development objectives; encourage the utilization of and add value to local products; promote exports; and introduce new industries, products, and technologies.[34]

69. In addition to import duty concessions (section (2)(iv)(e) above), other general incentives for all investors include: the right to import materials and equipment required for the establishment, operation or expansion of projects; five to ten years' exemption from income tax, effective from the

[32] WTO document G/SCM/N/38/QAT, 18 March 1999.
[33] UK Trade and Investment (2004).
[34] Ministry of Foreign Affairs (undated). *Investment Incentives.*

date of the commissioning of projects; long-term loans from the Qatar Industrial Development Bank with competitive interest rates of around 50% of the commercial rate for small and medium-sized industrial projects; land sites at subsidized lease-rates and long lease-terms; supply of electricity, fuel, water, and natural gas at subsidized prices; and flexible regulations and procedures to import workforce under Labour Law No. 14 of 2004.

(ii) Competition policy and price controls

70. Qatar has no competition legislation.

71. Certain products, such as gas, petroleum, electricity, and water, as well as some services (e.g. telecommunication, air transport, postal, and tourism) are subject to price controls (Chapter IV(3) and (5)). In general, the prices of these goods and services are set by the relevant companies, subject to approval by the Council of Ministers.

(iii) Public enterprises and privatization

72. The privatization programme in Qatar started in late 1998, with the main aim of reducing public liabilities and raising cash to finance public deficits. Now that oil and gas revenues have grown considerably, the central objective of the programme is to increase the participation of the private sector in the economy, and make it an important driving force, rather than the small, under-developed entity it has been. No particular institution is in charge of the privatization programme in Qatar; depending on the area, various institutions may participate.

73. The first major public sale of government assets took place at the end of 1998, when 45% (QR2.8 billion) of Qatar Telecom (Q-Tel), the state-owned telecommunications monopoly, was sold to domestic and foreign investors. In 1999, the Government privatized the management of the largest power plant Qatar General Electricity and Water Corporation (Kahramaa)[35]; and in 2001, port services were privatized.

74. In mid 2003, Qatar Petroleum's shareholdings in the following companies were partially privatized (QP's remaining shares are indicated in parentheses): Qatar Steel Company (70%); Qatar Petrochemical Company (80%); Qatar Fertilizer Company (75%); and Qatar Fuel Additives Company (50%). QP transferred its shareholdings in these companies to Industries of Qatar (IQ) and then sold 30% (QR 5 billion) of its stake in IQ to Qatari investors through an initial public offering.[36] In addition, QP owns shares in other local companies, e.g. 40% of Qatar Fuel Company; 10% of Kahramaa; 15% of Qatar Shipping Company; 50% of Qatar Nitrogen Company; 51% of Qatex Limited; 25.5% of Qatar Vinyl Company; and 100% of Gulf Helicopters Company.

75. Candidates for privatization in the near future include public enterprises in gas transport, iron and steel, petrochemicals, and fertilizer, as well as in some services, such as municipal cleaning. The Government plans first to set up a fully state-owned cleaning services company on an "experimental basis", and then offer it for sale to private investors.[37]

76. Qatar's privatization efforts would be further encouraged if the Government were to remove the remaining obstacles for wider foreign investment in the economy, such as the exclusion of

[35] The Qatari authorities estimated that this privatization resulted in a more than 40% drop in the government's annual spending on power and water (IMF, 2002b).

[36] Industries Qatar is controlled and owned by QP (70%) and by the public (30%).

[37] Economist Intelligence Unit (2004).

foreigners from certain key activities (e.g. banking, insurance, commercial representation), and restrictions in others (i.e. foreign equity is limited to 49% in many sectors) (Chapter II(5)).

77. In 1998, Qatar notified the WTO that it did not maintain any state-trading enterprises under Article XVII of GATT 1994 and paragraph 1 of the Understanding on the Interpretation of Article XVII.[38] However, the importation and distribution of alcoholic beverages are the exclusive right of the Qatar Distribution Company (QDC), a subsidiary of Qatar Airways (Chapter IV(5)(iv)(b)).

(iv) Intellectual property rights

(a) Overview

78. As part of its harmonization efforts within the GCC, and in accordance with its commitments under the WTO TRIPS Agreement, Qatar enacted, in 2002, new legislation in the areas of patents, copyrights and neighbouring rights, trade marks, geographical indications, and industrial designs. Moreover, special committees have been set up, with the assistance of the World Intellectual Property Organization (WIPO), to prepare two draft laws on topography of integrated circuits, and undisclosed information. In 1999, Qatar notified the WTO that nationals of other WTO Members enjoyed non-discriminatory treatment with respect to all intellectual property rights.[39] In 2001, in recognition of Qatar's progress on TRIPS, the United States removed Qatar from its Special 301 Watch List. However, Qatar was returned to the Watch List in 2002, because of continued "high levels of end-user piracy of unauthorized computer software"[40]. According to the authorities, in 2003, Qatar was removed from the Watch List.

79. Intellectual property rights legislation in Qatar comprises mainly: the GCC Unified Law on Patents of 2002[41]; Law No. 7 of 2002 on Protection of Copyright and Related Rights[42]; and Law No. 9 of 2002 on Trademarks, Geographical Indications and Industrial Designs.[43] Qatar's intellectual property legislation was reviewed by the WTO TRIPS Committee on 25-27 June 2002.[44]

80. The main institutions responsible for intellectual property matters in Qatar are: the Patent Office of the GCC (based in Riyadh, Saudi Arabia); the MEC Copyright Office for the protection of copyright and related rights; the MEC Trademark Office for issues related to trade marks, geographical indications, and designs; the Customs and Ports General Authority for matters related to border measures; and the Ministry of Justice for enforcement before the courts.

81. Qatar has been member of WIPO since September 1976. In July 2001, it joined the Paris Convention for the Protection of Industrial Property Rights and the Berne Convention for the Protection of Literary and Artistic Works.

(b) Patents

82. Under the GCC Unified Law on Patents of 2002, patents are granted for a period of 20 years (not renewable) from the date of filing with the Commercial Registration Office in the MEC. Patent

[38] WTO document G/STR/N/1/QAT, 30 March 1998.
[39] WTO document IP/N/1/QAT/1, 15 April 1999.
[40] USTR (2003).
[41] The GCC Unified Law on Patent of 2002 replaced the 1992 GCC Law on Patent.
[42] This law is a revision of Law No. 25 of 1995 on Copyright.
[43] WTO document IP/N/1/QAT/2, 21 July 2002.
[44] WTO document IP/Q-Q4/QAT/1, of 8 June 2004, contains the introductory statement by Qatar as well as the questions posed and answers given during the review.

protection is given in all six GCC member states through registration in one GCC member. Patents are granted by the Patent Office of the GCC and are automatically registered in Qatar without further examination. For patentability, Article 2 of the GCC Law requires that the invention must not be contrary to the laws of Islamic Shariy'a or public order or to morality observed in the GCC states.

83. Patent protection is granted for inventions in all fields of technology. Exceptions include scientific theories, mathematical methods, and computer programs; schemes, rules, and methods for doing business, performing purely mental acts, or playing games; and varieties of plants, species of animals, or biological processes used to produce plants or animals with the exception of microbiological processes and the products thereof.[45] The GCC Council is studying a law on plant variety protection which, once enacted, will apply in Qatar.

84. Compulsory licences under the GCC Law may be granted for "public interest", and in the case of lack of or insufficient working in the GCC member states. The licence will not be exclusive and will essentially be granted to meet the demand of the local market. The patent owner will be paid adequate compensation. On compulsory licences, the GCC Law (Article 19) requires that at least three years have elapsed after the grant of the patent; that the applicant proves that efforts were made to obtain a licence from the patent owner; and adequate compensation under fair terms. Furthermore, consensus of all six GCC countries is necessary for granting a compulsory licence. However, compulsory licences have never been granted by the GCC Patent Office.

(c) Copyright

85. Law No. 7 of 2002 provides for Protection of Copyright and Related Rights. Under Article 7 of the Law, the owner of the copyright has the exclusive right to carry out or to authorize reproduction, translation, excerpts, musical arrangement or other transformation of the work; distribution to the public; rental to the public of audiovisual works or computer programs; public performance of the work; and communication of the work to the public.

86. There are exceptions to copyrights in certain special cases not conflicting with the normal exploitation of the work, nor prejudicing (unreasonably) legitimate interests of the right holder. These relate to, *inter alia*, personal use (through reproduction, translation) or use by way of illustration for teaching (Article 18). Moreover, there are limited exceptions relating to teaching activities that are, according to the authorities, compatible with the TRIPS Agreement.

87. In Qatar, protection accorded to authors of computer programs, databases or compilation of data is for 50 calendar years. Protection of performance rights is until the end of the 50th year following the fixation of the performance in a sound recording or in the absence of such fixation from the end of the year in which the performance took place (Article 40). Protection for producers of sound recordings is until the end of the 50th year following the year of publication, or if the sound recording has not been published, from the fixation of the sound recording until the end of the 50th year, following the year of fixation (Article 41). Protection for broadcasting organizations is for 20 years from the year in which the broadcast took place (Article 42).

(d) Trade marks

88. Trade marks are protected under Law No. 9 of 2002 on Trademarks, Geographical Indications and Industrial Designs.[46] Protection is granted for ten years from the date of filing of the application

[45] Articles 3 and 14 of the GCC Law.

[46] The following are deemed to be marks of registration: names having a distinctive form, signatures, words, letters, numerals, designs pictures, symbols, stamps, seals, vignettes, three dimensional figures and other signs or combinations of colours, a single non-functional colour, a sound, a smell or a combination of signs,

for registration (Article 19); the registration fee is to QR 275. Registration is renewable indefinitely for periods of ten years (Article 18), subject to payment of renewal fees (QR 155). Registration of a mark confers on its owner the right to prevent third parties from using it or a sign resembling it in any way that might mislead the public, for products or services for which the mark is registered or for similar products or services (Article 20).[47]

89. Applications for registration of trade marks are filed with the Trademarks Office upon payment of a fee of QR 300 (Article 9). A single application for registration may be filed for a group of marks. Notwithstanding the provisions of international or bilateral agreements to which Qatar is party, an applicant not domiciled or who does not have a real and effective domicile in Qatar must apply for registration through an agent domiciled in Qatar. The application must be accompanied by a certified power of attorney. If there are objections, Article 15 allows any party to state reasons for oppositions within four months from the publication date in the *Official Gazette*.

(e) Geographical indications

90. Geographical indications are protected under Chapter 11 (Articles 38 to 41) of Law No. 9 of 2002 on Trademarks, Geographical Indications and Industrial Designs.[48] Protection is based on registration and covers all goods, including wines and spirits. Procedures for obtaining protection of geographical indications are the same as those for trade marks.

91. The law does not provide for exceptions under Article 24 of the WTO TRIPS Agreement.

(f) Industrial designs

92. All industrial designs that are invented are protected under Chapter 11 (Articles 42 to 45) of Law No. 9 of 2002 on Trademarks, Geographical Indications and Industrial Designs. Protection for industrial designs is for five years from the filing date, renewable for two further periods of five years. Procedures for obtaining industrial designs protection are the same as those for trade marks.

93. Remedies against imports of articles bearing embodied or copies of designs are the same as those for trade marks and are cited in Article 45. Additionally, Article 52 provides that the court shall order the destruction of the counterfeit or imitated marks, indications, trade names, or industrial designs or the products affixed thereto or the products that illegally bear false or illegal indications, even in the event of acquittal.

94. Qatar's legislation does not provide for the right to issue a compulsory licence for industrial designs.

used or intended to be used to distinguish the products of enterprises in the fields of industry, handicraft, agriculture, forestry, mining, goods sold or services offered.

[47] Protection of well-known trade marks and service marks is also provided through non-registration of marks that are confusingly similar to a mark already filed or registered by a third party for identical or similar products, services or well-known signs even if they are not filed or registered in Qatar (Article 8.8).

[48] A geographical indication is any expression or sign indicating the geographical name of a country, region, locality or place, which serves to designate a product originating therein, the quality, characteristic and reputation of which are due exclusively or partly to the geographical environment, the natural or human factors of such origin (Article 1).

(g) Enforcement

95. Civil and criminal courts in Qatar have jurisdiction over intellectual property rights infringement cases depending on the type of violation (Chapter II(1)). All interested parties, including foreigners, may assert intellectual property rights before the courts without any formalities. The staff of the Copyright Office and of the Trademarks Office have the capacity of legal officers for controlling and certifying offences in violation of the respective laws. They can, for instance, enter premises where the works are published and/or, distributed, and confiscate material, copies or means used in any acts violating the laws.

96. Chapter 10 of Law No. 7 of 2002 deals with preventive measures and sanctions regarding copyrights and neighbouring rights.[49] It provides that the court may, upon application by the holder of the right or any of his successors or heirs, grant injunctions to prohibit the committing of infringements, order seizure of the infringing copies or any part thereof, seize infringing copies used in the reproduction, order appropriate indemnification, and seize profits attributable to the infringement (Article 47). Criminal actions include imprisonment for between six months and one year, and/or fines of between QR 30,000 and QR 100,000 depending on the infringement (penalties may be doubled in the case of recurrence).

97. In the case of trade marks, geographical indications and industrial designs, Chapter 12 of Law No. 9 of 2002 deals with remedies and sanctions as well as preventive measures.[50] Concerned persons may lodge an action before the competent civil court to prohibit acts of infringement of their rights, as well as action for damages. The competent civil courts may order the confiscation of the products and the closure of the enterprise. The court can order the destruction of the counterfeits or imitation marks.[51] Criminal actions include imprisonment for a term not exceeding one or two years and a fine not exceeding QR 10,000 or QR 20,000, depending on the offence (penalties may be doubled in the case of recurrence).

98. Qatar has some difficulties in enforcing its intellectual property rights laws. In 2002, for example, not a single enforcement action was initiated by the Qatari Government, while Qatar was reported as having the second highest piracy rate in the Middle East and Africa.[52]

[49] Provisional measures in the case of copyrights include granting injunctions, seizure, and confiscation. Article 47 of the Copyright Law provides that preventive measures may be initiated upon application of the holder of the right or any of his successors or heirs.

[50] Preventive measures in the case of trade marks include the seizure of items. Article 46 of Law No. 9 of 2002 provides that preventive measures may be initiated upon a petition by a concerned person directed to the competent civil court. It also indicates that preventive measures taken by the owner of the mark shall become null and void unless followed within ten days from the date of the order by a civil or criminal action initiated against the party in respect of whom the measures were taken.

[51] Circumstances necessitating seizure, forfeiture, and destruction of infringing trade marks are cited in Articles 47, 48, and 49 of the Law on Trademarks, and include generally infringements of intellectual property rights.

[52] International Intellectual Property Alliance (2003).

IV. TRADE POLICIES BY SECTOR

(1) OVERVIEW

1. The contribution to Qatar's economy of mining and quarrying, basically petroleum and natural gas, and of gas-intensive industries (e.g. petrochemicals and fertilizers), has increased over the years, while the shares of agriculture and services has fallen. In accordance with Qatar's long-term development strategy, this trend will be strengthened as Qatar aims to, *inter alia*, become a dominant force in world gas markets through its role as the leading producer and exporter of both liquefied natural gas (LNG) and gas-to-liquids (GTL). Nevertheless, some services subsectors, notably tourism, are being promoted to reduce the country's dependence on crude oil.

2. Despite its very small and decreasing share of total GDP (0.3% in 2003), agriculture is an important sector in the economy because of Qatar's food security objective. Qatar is a net importer of agricultural products, and food security is promoted mainly through relatively low customs tariffs. The simple average applied MFN tariff on agricultural products (major division 1 of ISIC, Revision 2) is 3.3%. The Government assists agricultural producers by offering basic infrastructure (e.g. drainage and irrigation facilities), and free provision of inputs, such as pesticides, natural fertilizers, veterinary services, and vegetable seeds.

3. A major state-owned company, Qatar Petroleum (QP), is the exclusive agent for oil and natural gas activities, either directly or in cooperation with foreign enterprises through production-sharing or development and fiscal agreements. Qatar is pursuing an intensive exploration drive to enlarge its hydrocarbons reserve base, so as to expand the lifetime of its reserves, and broaden its production capacity. Qatar is also increasing its electricity network and modifying the distribution management system in order to meet the country's growing demand. Electricity imports, and all products from mining and quarrying (major division 2 of ISIC, Revision 2) are subject to a tariff rate of 5%.

4. Qatar's manufacturing sector is based on its comparative advantage in gas-intensive industries. Despite recent privatizations and joint-ventures with foreign companies, the State continues to play a dominant role in the subsector. The Government holds a majority stake or is an important shareholder in key manufacturing companies (e.g. Qatar Steel Company, Qatar National Cement Company, and Qatar Fertilizer Company). Manufacturing is being promoted partly through investment incentives, including exemption from import duties, and tax-holidays for 5-10 years. MFN customs tariffs on manufactured goods (major division 3 of ISIC, Revision 2) average 5.1%, with rates ranging up to 100% on alcoholic beverages, and tobacco and tobacco products.

5. Services constitute a crucial component in Qatar's overall policy of economic diversification. Private sector participation is being encouraged by removing obstacles to foreign investment under the 2000 Investment Law. Nevertheless, foreign investment is still not allowed in certain services subsectors, such as banking and insurance. Moreover, several state-owned companies in Qatar dominate services activities, and still operate under monopoly, or hold exclusive rights in some branches (e.g. Qatar Telecom, Qatar Postal Corporation, and Qatar Airways). Under the General Agreement on Trade in Services, Qatar made some commitments in several service categories (Table AIV.1).

(2) AGRICULTURE AND RELATED ACTIVITIES

(i) Main features

6. Agriculture is considered a strategic sector in Qatar because of its role in securing food for the population. Nevertheless, the contribution of agriculture and related activities (e.g. fishing) to GDP declined from 1.4% in 1993 to 0.3% in 2003, employing about 1% of Qatar's total labour force. Moreover, the sector faces development problems mainly related to the scarcity of irrigation water, the poor and declining quality of the soil, and adverse climatic conditions. According to the latest available information, in 2001, agricultural land was estimated to be around 650 square kilometres (5.6% of total land area), of which 61 square kilometres were cultivated.[1] Qatar's main agricultural products are milk and dairy products, vegetables, green fodder, red meat, fruits and dates, and fish.[2]

7. The agricultural land may be state-owned or privately owned, but the labour force comprises immigrants.[3] In 2001, there were 916 registered farms: about one third were small (less than 20 ha), over 50% medium-sized (between 20 and 150 ha), and the remaining were large farms (over 150 ha).[4] Modern farms have been established recently; 25% are located in Al-Rayyan, 20% in Al-Khor, and 15% in Madinat Al-Shamal. The National Poultry Farm is the most important production centre for chickens and eggs.[5]

8. The livestock subsector, consisting largely of sheep, goats, camels, cows, deer, and horses, includes traditional and commercial activities. Total red meat production remained stable at around 3,600-3,700 tons during 1996-00. In 2001, 2,571 tons of meat production were reported in the census. Poultry meat production averaged 3,500 tons per year over 1996-01.[6]

9. Despite the potential of fishing activities in Qatar, fisheries production (100% marine fish) remains limited, averaging around 6,500 tons during 1996-02. Qatar has neither fresh water fish nor aquaculture production.[7] Imports of fisheries products increased from US$5.3 million in 1999 to US$7.3 million in 2002, and exports grew from US$1.7 million to US$2 million over the same period.[8]

10. Qatar is a net importer of agricultural products. Its agricultural trade deficit rose from US$279.7 million in 1998 to US$413.4 million in 2001 (Table IV.1). Imports of agricultural products (US$418.8 million) represented 12.4% of total imports in 2001. Qatar's requirements of cereals, vegetables and livestock products are largely imported; the largest share of imports is accounted for by chicken meat (8.4% of agricultural imports in 2001), sheep (6.9%), followed by rice (5.1%), and cows' milk (4.2%). Qatar imports vegetal products mainly from GCC countries, followed by the European Union (EU), Asia, and the United States; beef, veal, mutton, and lamb mainly from Australia and New Zealand; and poultry from neighbouring Arab countries.[9] Local production meets approximately 14.5% of domestic demand for vegetables, 38.8% for dairy, 35.5% for eggs, 87% for

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[1] Planning Council (2003).

[2] Alfalfa is the main green fodder crop, and barley is the main cereal. Tomatoes and melons are the main winter and summer vegetables, respectively.

[3] All lands located outside city borders in Qatar are owned by the State.

[4] FAO online information. Available at: http://www.fao.org, *Aquastat* [2 September 2004].

[5] Qatar Chamber of Commerce and Industry (2004).

[6] Planning Council (2003).

[7] Shrimp fishing is prohibited in Qatar on environmental grounds. Exports of certain fish species (small size) are prohibited during certain period of the year.

[8] FAO (2003a).

[9] Qatar Chamber of Commerce and Industry (2004).

dates, 92% for fish, 11.8% for poultry, and 10.8% for red meat. Given its limited resource potential and unfavourable climate, Qatar is likely to remain heavily dependant on imports to meet its domestic demand for most agricultural products.

Table IV.1
Qatar's main imports and exports of agricultural products, 1998-01
(US$ million)

	1998	1999	2000	2001
Trade balance				
Agricultural products	-279.7	-251.2	-207.9	-413.4
Imports				
Total agricultural products	293.6	263.8	216.9	418.8
Chicken meat	25.0	23.0	18.7	35.2
Sheep	15.0	21.0	11.6	28.7
Rice, milled	13.0	24.0	24.5	21.4
Cow milk, whole (fresh)	6.0	6.0	6.0	17.6
Cigarettes	13.0	12.0	11.2	17.0
Chocolate products n.e.s.	8.4	1.3	2.4	14.4
Food preparations n.e.s.	9.0	2.9	3.5	11.9
Juice of fruit n.e.s.	9.1	1.0	0.1	11.2
Dry skim cow milk	1.0	0.6	0.6	9.1
Vegetables n.e.s., fresh	4.1	4.1	0.3	8.8
Exports				
Total agricultural products	13.9	12.6	9.0	5.4
Camels	0.0	0.0	0.0	1.8
Skins with wool, sheep	0.7	0.7	0.4	1.6
Sheep	5.2	5.2	1.8	0.4
Fat of sheep	0.0	0.0	0.0	0.2
Oil of vegetable origin n.e.s.	0.0	0.0	0.0	0.2
Breakfast cereals	0.3	0.3	0.3	0.2
Beverages, non-alcoholic	0.2	0.0	0.0	0.2
Hides n.e.s.	0.0	0.0	0.0	0.2
Horses	0.0	0.0	0.0	0.1
Chocolate products n.e.s.	0.0	0.0	0.0	0.1

Source: FAO (2002), *Food and Agriculture Indicators: Qatar*, Rome.

11. The value of Qatar's agricultural exports has been decreasing constantly over the past few years, representing only 0.1% of total merchandise exports in 2001 (Table IV.1). The main agricultural exports are camels (33.3%), sheep skins with wool (29.6%), and sheep (7.4%). Some of Qatar's agricultural exports are re-exports, after minor processing, such as dates, vegetable oils, and hides. The main markets for Qatar's exports of agricultural products are Arab countries, including GCC members, and the United States.

(ii) Policy objectives and instruments

12. The Ministry of Municipal Affairs and Agriculture (MMAA) is responsible for the overall running of the sector, including assisting producers, and providing infrastructure. Qatar's key policy objectives for agriculture are, *inter alia*: developing the sector by offering technical assistance and subsidized inputs to producers; ensuring food security for the population, including through an increase in livestock production in order to provide adequate and balanced nutrition for the population; and the implementation of a Global Plan of Action for conservation and sustainable use of plant genetic resources for food and agriculture.[10]

13. Qatar's agricultural policy reflects overall economic policy, which emphasizes diversification of the production base. Development efforts in agriculture have included the promotion of intensified

[10] Qatar is considered as one of the richest countries in plant genetic resources in the Gulf region because of its desert climate variations and plant types (FAO, 1998).

WORLD TRADE GATS/SC/120

10 November 1995

ORGANIZATION

(95-3503)

QATAR

Schedule of Specific Commitments

(This is authentic in English only)

QATAR - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector

Limitations on market access

Limitations on national treatment

Additional commitments

I.HORIZONTAL COMMITMENTS

ALL SECTORS INCLUDED IN THIS SCHEDULE

3)As stipulated in Qatari laws, decisions and regulations, National services and goods or services and goods of national origin should have priority in purchases of Governmental, Semi-Governmental and Public Sector Departments, as well as in purchases of national and foreign contractors, awarded contracts by the Government of Qatar or its affiliate bodies to fulfil in or outside the country. The priority referred to above is only applicable if the differential in price of goods or services of national origin is not in excess of 10 % compared to those of foreign origin (law nr. 6 of 1987).

3)Possessing, buying, selling or dealing in Qatari shares are, presently, confined to Qatari natural or juridical persons. Foreigners are not allowed to invest in Qatari shares.

The restriction on acquisition of Qatari shares by foreigners is made because of the small number of Qatari joint stock companies (around 20) and absence of organized stock exchange market.

With the exemption of banks, financial and insurance institutions and other sectors and sub-sectors which are not stipulated as areas of commitments with limitations on the number of service suppliers in the attached schedules, foreign commercial presence should be either through a Qatari Agent working in the same field of services or related to it (official agency contract must be registered with the Ministry of Finance, Economy and Commerce). Or: through a partnership with the capital of Qatari Company.

Acquisition of land or real estate by foreign natural persons or foreign juridical persons are not allowed. Foreigners can acquire land for economic activities on long lease particularly for industrial use.

Foreign nationals or companies with foreign share holdings may be required to pay direct taxes on income derived from work or operations in Qatar, whereas local services suppliers or local Qatari companies may not be required to pay similar taxes (Law nr. 11 of 93). Foreign nationals or companies may obtain tax exemption for 5-10 years before making the investment.

Foreign commercial presence may be required to provide certain benefits in the form of technology transfer, research and development programs, technical or marketing assistance and educational or training of local manpower.

3), 4) National services industries and services may have some kind of incentives and assistance, like industrial land blocks, easy financial loans, market research and marketing programmes including the organization of exhibitions or facilitating its taking part in Qatari pavilion in international fairs and exhibitions, with free or lowered costs, establishing of marketing centres (inside or outside the country), and/or granting discount on the prices of its advertising programmes in national TV and national advertising agencies and some other incentives alike.

4)Unbound, except for measures concerning the entry and temporary stay of natural persons falling within the following categories:

- Managers

- Specialists, and

- Skilled technicians

Presence of foreign natural persons as self employers is not allowed.

4)Unbound, except for measures concerning the categories of natural persons referred to in the market access column.

Housing and social programmes and some aspects of free health care, are limited to Qatari citizens.

II. SECTOR-SPECIFIC COMMITMENTS

1.BUSINESS SERVICES

A.Professional Services

b)Accounting, auditing and bookkeeping services

(CPC 862)

1)None

2)None

3)The number of foreign suppliers is frozen at the level existing on March 1995 (10 firms)

4)Unbound, except as indicated in the horizontal section

1)None

2)None

3)None

4)Unbound, except as indicated in the horizontal section

c)Taxation services, as follows:

-Business tax planning and consulting

(CPC 86301)

-Business tax preparation and review services (CPC 86302)

1)None

2)None

3)None

4)Unbound, except as indicated in the horizontal section

1)None

2)None

3)None

4)None, except as indicated in the horizontal section

d)Architectural services

(CPC 8671)

1)None

2)None

3)Access only for projects of over $100 million or the equivalent amount in other currencies.

4)Unbound, except as indicated in the horizontal section.

1)None

2)None

3)None, except as indicated in the horizontal section.

4)Unbound, except as indicated in the horizontal section.

h)Medical and dental services

(CPC 9312)

1)Unbound

2)Unbound

3)None

4)Unbound, except as indicated in the horizontal section

1)Unbound

2)Unbound

3)None

4)Unbound, except as indicated in the horizontal section. Residency required.

i)Veterinary services

(CPC 932)

1)None

2)None

3)None

4)Unbound, except as indicated in the horizontal section

1)None

2)None

3)None

4)None, except as indicated in the horizontal section. Residency required.

B.Computer and Related Services

a)Consultancy services related to the installation of computer hardware

(CPC 841)

b)Software implementation services

(CPC 842)

c)Data processing services

(CPC 843)

d)Data base services

(CPC 844)

1)Unbound

2)Unbound

3)None

4)Unbound, except as indicated in the horizontal section

1)Unbound

2)Unbound

3)None

4)Unbound, except as indicated in the horizontal section

C.Research and Development Services

a)R&D Services on natural sciences

b)R&D Services on social sciences and humanities

c)Interdisciplinary R&D Services

1) Unbound

2) Unbound

3) None

4)Unbound, except as indicated under the horizontal section

1) Unbound

2) Unbound

3) None

4)None, except as indicated under the horizontal section

F.Other Business Services

b)Market research services (CPC 864)

1)None

2)None

3)None

4)Unbound, except as indicated in the horizontal section

1)None

2)None

3)None

4)None, except as indicated in the horizontal section

c)Management consulting service

(CPC 865)

1) Unbound

2) Unbound

3) None

4)Unbound, except as indicated under the horizontal section

1) Unbound

2) Unbound

3) None

4)Unbound, except as indicated under the horizontal section

e)Technical testing and analysis service

(CPC 8676)

1)None

2)None

3)None

4)Unbound, except as indicated under the horizontal section

1)None

2)None

3)None, except as indicated under the horizontal section

4)None, except as indicated under the horizontal section

2.COMMUNICATION SERVICES

B.Courier services

Land based international courier services

1)Unbound

2)Unbound

3)The number of foreign suppliers is frozen at the level existing on March 1995 (6 firms)

4)Unbound, except as indicated under the horizontal section

1)Unbound

2)Unbound

3)None

4)Unbound, except as indicated under the horizontal section

3. CONSTRUCTION AND RELATED ENGINEERING SERVICES

A)General construction work for buildings

(CPC 512)

B)General construction work for civil engineering

(CPC 513)

C)Installation and assembly work

(CPC 514+516)

D)Building completion and finishing work

(CPC 517)

1)None

2)None

3)Access only for projects of over $100 million or the equivalent amount in other currencies.

4)Unbound, except as indicated in the horizontal section

1)None

2)None

3)None, except as indicated in the horizontal section

4)Unbound, except as indicated in the horizontal section

6.ENVIRONMENTAL SERVICES

1)Unbound

2)Unbound

3)None

4)Unbound, except as indicated in the horizontal section

1)Unbound

2)Unbound

3)None

4)Unbound, except as indicated in the horizontal section

7.FINANCIAL SERVICES

A.All insurance and insurance-related services

b)Non-life insurance services

c)Reinsurance and retrocession

d)Services auxiliary to insurance (including broking and agency services)

1)None

2)None

3)The number of foreign insurance suppliers is frozen at the level existing on March 1995 (5 firms)

4)Unbound

1)None

2)None

3)None

4)Unbound

B.Banking and other financial services

(excluding insurance)

1)None

2)None

3)The number of branches of foreign banking institutions is frozen at the level existing on March 1995 (8 branches)

4)Unbound

1)None

2)None

3)None

4)Unbound

9.TOURISM AND TRAVEL-RELATED SERVICES

A.Hotels and Restaurants (including catering)

(CPC 641-643)

Hotels

1)Unbound

2)None

3)None

4)Unbound

1)Unbound

2)None

3)None

4)Unbound

Restaurants

1)Unbound

2)None

3)None

4)Unbound

1)Unbound

2)None

3)None

4)Unbound

??

(..continued)

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Page 1

QATAR (continued)

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Appendix 4: Qatar Schedule of Specific Commitments – GATS - WTO

WORLD TRADE

ORGANIZATION

GATS/SC/120
10 November 1995

(95-3503)

QATAR

Schedule of Specific Commitments

(This is authentic in English only)

QATAR - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
I. HORIZONTAL COMMITMENTS			
ALL SECTORS INCLUDED IN THIS SCHEDULE	3) As stipulated in Qatari laws, decisions and regulations, National services and goods or services and goods of national origin should have priority in purchases of Governmental, Semi-Governmental and Public Sector Departments, as well as in purchases of national and foreign contractors, awarded contracts by the Government of Qatar or its affiliate bodies to fulfil in or outside the country. The priority referred to above is only applicable if the differential in price of goods or services of national origin is not in excess of 10 % compared to those of foreign origin (law nr. 6 of 1987).	3) Possessing, buying, selling or dealing in Qatari shares are, presently, confined to Qatari natural or juridical persons. Foreigners are not allowed to invest in Qatari shares. The restriction on acquisition of Qatari shares by foreigners is made because of the small number of Qatari joint stock companies (around 20) and absence of organized stock exchange market.	

QATAR (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
	With the exemption of banks, financial and insurance institutions and other sectors and sub-sectors which are not stipulated as areas of commitments with limitations on the number of service suppliers in the attached schedules, foreign commercial presence should be either through a Qatari Agent working in the same field of services or related to it (official agency contract must be registered with the Ministry of Finance, Economy and Commerce). Or: through a partnership with the capital of Qatari Company.	Acquisition of land or real estate by foreign natural persons or foreign juridical persons are not allowed. Foreigners can acquire land for economic activities on long lease particularly for industrial use. Foreign nationals or companies with foreign share holdings may be required to pay direct taxes on income derived from work or operations in Qatar, whereas local services suppliers or local Qatari companies may not be required to pay similar taxes (Law nr. 11 of 93). Foreign nationals or companies may obtain tax exemption for 5-10 years before making the investment.	

QATAR (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
	Foreign commercial presence may be required to provide certain benefits in the form of technology transfer, research and development programs, technical or marketing assistance and educational or training of local manpower.	3), 4) National services industries and services may have some kind of incentives and assistance, like industrial land blocks, easy financial loans, market research and marketing programmes including the organization of exhibitions or facilitating its taking part in Qatari pavilion in international fairs and exhibitions, with free or lowered costs, establishing of marketing centres (inside or outside the country), and/or granting discount on the prices of its advertising programmes in national TV and national advertising agencies and some other incentives alike.	

QATAR (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
	4) Unbound, except for measures concerning the entry and temporary stay of natural persons falling within the following categories: - Managers - Specialists, and - Skilled technicians Presence of foreign natural persons as self employers is not allowed.	4) Unbound, except for measures concerning the categories of natural persons referred to in the market access column. Housing and social programmes and some aspects of free health care, are limited to Qatari citizens.	

QATAR (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
II. SECTOR-SPECIFIC COMMITMENTS			
1. BUSINESS SERVICES			
A. Professional Services			
b) Accounting, auditing and bookkeeping services (CPC 862)	1) None 2) None 3) The number of foreign suppliers is frozen at the level existing on March 1995 (10 firms) 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	
c) Taxation services, as follows:			
- Business tax planning and consulting (CPC 86301) - Business tax preparation and review services (CPC 86302)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) None, except as indicated in the horizontal section	

3

QATAR (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
d) Architectural services (CPC 8671)	1) None 2) None 3) Access only for projects of over $100 million or the equivalent amount in other currencies. 4) Unbound, except as indicated in the horizontal section.	1) None 2) None 3) None, except as indicated in the horizontal section. 4) Unbound, except as indicated in the horizontal section.	
h) Medical and dental services (CPC 9312)	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section. Residency required.	

QATAR (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
i) Veterinary services (CPC 932)	1) None 2) None 3) None 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None 4) None, except as indicated in the horizontal section. Residency required.	
B. <u>Computer and Related Services</u>			
a) Consultancy services related to the installation of computer hardware (CPC 841) b) Software implementation services (CPC 842) c) Data processing services (CPC 843) d) Data base services (CPC 844)	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section	

QATAR (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
C. Research and Development Services			
a) R&D Services on natural sciences b) R&D Services on social sciences and humanities c) Interdisciplinary R&D Services	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated under the horizontal section	1) Unbound 2) Unbound 3) None 4) None, except as indicated under the horizontal section	

QATAR (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
F. Other Business Services			
b) Market research services (CPC 864)	1) None	1) None	
	2) None	2) None	
	3) None	3) None	
	4) Unbound, except as indicated in the horizontal section	4) None, except as indicated in the horizontal section	
c) Management consulting service (CPC 865)	1) Unbound	1) Unbound	
	2) Unbound	2) Unbound	
	3) None	3) None	
	4) Unbound, except as indicated under the horizontal section	4) Unbound, except as indicated under the horizontal section	
e) Technical testing and analysis service (CPC 8676)	1) None	1) None	
	2) None	2) None	
	3) None	3) None, except as indicated under the horizontal section	
	4) Unbound, except as indicated under the horizontal section	4) None, except as indicated under the horizontal section	

QATAR (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
2. COMMUNICATION SERVICES			
B. <u>Courier services</u> Land based international courier services	1) Unbound 2) Unbound 3) The number of foreign suppliers is frozen at the level existing on March 1995 (6 firms) 4) Unbound, except as indicated under the horizontal section	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated under the horizontal section	

QATAR (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
3. <u>CONSTRUCTION AND RELATED ENGINEERING SERVICES</u>			
A) <u>General construction work for buildings</u> (CPC 512) B) <u>General construction work for civil engineering</u> (CPC 513) C) <u>Installation and assembly work</u> (CPC 514+516) D) <u>Building completion and finishing work</u> (CPC 517)	1) None 2) None 3) Access only for projects of over $100 million or the equivalent amount in other currencies. 4) Unbound, except as indicated in the horizontal section	1) None 2) None 3) None, except as indicated in the horizontal section 4) Unbound, except as indicated in the horizontal section	
6. <u>ENVIRONMENTAL SERVICES</u>	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section	1) Unbound 2) Unbound 3) None 4) Unbound, except as indicated in the horizontal section	

QATAR (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
7. <u>FINANCIAL SERVICES</u>			
A. <u>All insurance and insurance-related services</u>			
a) b) Non-life insurance services c) Reinsurance and retrocession d) Services auxiliary to insurance (including broking and agency services)	1) None 2) None 3) The number of foreign insurance suppliers is frozen at the level existing on March 1995 (5 firms) 4) Unbound	1) None 2) None 3) None 4) Unbound	
B. <u>Banking and other financial services</u> (excluding insurance)	1) None 2) None 3) The number of branches of foreign banking institutions is frozen at the level existing on March 1995 (8 branches) 4) Unbound	1) None 2) None 3) None 4) Unbound	

QATAR (continued)

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
9. TOURISM AND TRAVEL-RELATED SERVICES A. Hotels and Restaurants (including catering) (CPC 641-643)			
Hotels	1) Unbound 2) None 3) None 4) Unbound	1) Unbound 2) None 3) None 4) Unbound	
Restaurants	1) Unbound 2) None 3) None 4) Unbound	1) Unbound 2) None 3) None 4) Unbound	

For the State of Qatar:

Pour l'Etat du Qatar:

Por el Estado de Qatar:

I hereby certify that the foregoing text is a true copy of the Protocol of Accession of the State of Qatar to the Marrakesh Agreement Establishing the World Trade Organization, done at Geneva on 15 November 1995, the original of which is deposited with the Director-General of the World Trade Organization.

Je certifie que le texte qui précède est la copie conforme du Protocole d'Accession de l'Etat du Qatar à l'Accord de Marrakech instituant l'Organisation Mondiale du Commerce, établi à Genève le 15 novembre 1995, dont le texte original est déposé auprès du Directeur général de l'Organisation Mondiale du Commerce.

Certifico que el texto que antecede es copia conforme del Protocolo de Adhesión del Estado de Qatar al Acuerdo de Marrakech por el que se Establece la Organización Mundial del Comercio, hecho en Ginebra el 15 de noviembre de 1995 de cuyo texto original es depositario el Director General de la Organización Mundial del Comercio.

R. Ruggiero

Director-General
Geneva

Directeur général
Genève

Director General
Ginebra

Schedule CXXXI - QATAR
This Schedule is authentic only in the English language

PART I - MOST-FAVOURED-NATION TARIFF
SECTION II - Other Products

Tariff item number	Description of products	Base rate of duty (U/B)	Bound rate of duty	Initial negotiating right	Other duties and charges
1	2	3	4	5	6
	15% ceiling binding applicable to all Chapters except for the following products as indicated:				3%: Stamp duty on products listed herewith
0301.10 to 0307.90	Fish, crustaceans, mollusc and preparations thereof		15%		
1604	Prepared or preserved fish caviar		15%		
1605	Crustaceans, molluscs and other aquatic		15%		
2502.01 to 2523.90	Cement, clinker, bitumen and gypsum		30%		
2601.11 to 2601.20	Iron ores and iron scrap		15%		
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes		15%		
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare earth-metals, of radioactive elements or of isotopes EXCEPT	15%	*5.5%		
2821	Iron oxides and hydroxides: earth colours containing 70 % or more by weight of combined iron evaluated as Fe2O3		15%		
2830	Sulphides polysulphides		15%		
2833.1	Sodium sulphates		15%		
2833.2	Sulphates of inorganic acids and metals other than sodium sulphate		15%		
2833.3	Alums		15%		
2836.5	Calcium carbonate		15%		
2901 to 2902	Organic chemicals	15%	*0%		
2903 to 2915	Organic chemicals	15%	*5.5%		
2916 to 2942	Organic chemicals EXCEPT	15%	*6.5%		

Tariff item number	Description of products	Base rate of duty (U/B)	Bound rate of duty	Initial negotiating right	Other duties and charges
1	2	3	4	5	6
2936	Provitamins and vitamins, natural or reproduced by synthesis (including natural concentrates), derivatives thereof used primarily as vitamins, and intermixtures of the foregoing, whether or not in any solvent		15%		
2941	Antibiotics		15%		
30	Pharmaceutical products	15%	*0%		
31	Fertilizers	15%	*6.5%		
	EXCEPT				
3103.1	Superphosphates		15%		
32	Tanning and dyeing extracts: tannins and their derivatives; dyes, pigments and other colouring matter; paints and varnishes; putty and other mastics; inks.	12%	*6.5%		
	EXCEPT				
3204.2	Synthetic organic products of a kind used as fluorescent brightening agents		15%		
3207	Prepared pigments, prepared opacifiers and prepared colours, vitrifiable enamels and glazes, engobes (slips), liquid lustres and similar preparations, of a kind used in the ceramic, enamelling or glass industry; glass frit and other glass, in the form of		20%		
3208	Paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in a non-aqueous medium; solutions as defined in Note 4 to this Chapter		30%		
3209	Paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in an aqueous medium		30%		

Tariff item number	Description of products	Base rate of duty (U/B)	Bound rate of duty	Initial negotiating right	Other duties and charges
1	2	3	4	5	6
3210	Other paints and varnishes (including enamels, lacquers and distempers); prepared water pigments of a kind used for finishing leather		30%		
3211	Prepared driers		20%		
3212	Pigments (including metallic powders and flakes) dispersed in non-aqueous media, in liquid or paste form, of a kind used in the manufactureof paints (including enamels); stamping foils; dyes and other colouring matter put up in forms or packings for retai		20%		
3213	Artists', students' or signboard painters' colours, modifying tints, amusement colours and the like. in tablets. tubes, jars, bottles, pans or in similar forms or packings:		20%		
3214	Glaziers' putty, grafting putty, resin cements, caulking compounds and other mastics; painters' fillings; non-refractory surfacing preparations for facades, indoor walls. floors, ceilings or the like		30%		
3215.11	Printing ink, black		20%		
33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations EXCEPT	15%	*6.5%		
3303	Perfumes and toilet waters		30%		
3304	Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations		30%		
34	Soap: organic surface active agents; washing preparations; lubricating preparations;artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles. EXCEPT	15%	*6.5%		

Tariff item number	Description of products	Base rate of duty (U/B)	Bound rate of duty	Initial negotiating right	Other duties and charges
1	2	3	4	5	6
3401	Soap; organic surface-active products and preparations for use as soap, in the form of bars, cakes, moulded pieces or shapes, whether or not containing soap; paper, wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent		30%		
3402	Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading No 3401		20%		
3403	Lubricating preparations (including cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparations and mould release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment o		12%		
3404	Artificial waxes and prepared waxes		12%		
3405	Polishes and creams for footwear, furniture, floors, coachwork, glass or metal, scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, nonwovens, cellular plastics or cellular rubber, impregnated, coated		12%		
35	Albuminoidal substances; modified starches; glues ; enzymes EXCEPT	15%	*6.5%		
3506	Prepared glues and other prepared adhesives, not elsewhere specified or included; products suitable for use as glues or adhesives, put up for retail sale as glues or adhesives, not exceeding a net weight of 1 kg		15%		
36	Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations	15%	*6.5%		

Tariff item number	Description of products	Base rate of duty (U/B)	Bound rate of duty	Initial negotiating right	Other duties and charges
1	2	3	4	5	6
37	Photographic or cinematographic goods	15%	*6.5%		
38	Miscellaneous chemical products EXCEPT	15%	*6.5%		
3808.1	Insecticides put up in form or packings for retail sale		12%		
3808.2	Fungicides put up in forms or packings for retail sale		12%		
3808.3	Herbicides, anti-sprouting products and plant-growth regulators, put up in form or packings for retail sale		12%		
3808.9	Products made to destroy or to inhabit the growth or propagation of harmful animals or plants, other than insecticides, anti sprouting products and disinfectants, put up in form or packings for retail sale or as preparation or articles		12%		
3812	Prepared rubber accelerators; compound plasticisers for rubber or plastics, not elsewhere specified or included; anti-oxidising preparations and other compound stabilisers for rubber or plastics		12%		
3813	Preparations and charges for fire-extinguishers; charged fire-extinguishing grenades		12%		
39	Plastic and articles thereof EXCEPT	15%	*6.5%		
3901	Polymers of ethylene, in primary forms	15%	**12%; 10%		
3902	Polymers of propylene or of other olefins, in primary forms	15%	**12%; 10%		
3903	Polymers of styrene, in primary forms	15%	**12%; 10%		
3904	Polymers of vinyl chloride or of other halogenated olefins, in primary forms	15%	**12%; 10%		
3905	Polymers of vinyl acetate or of other vinyl esters, in primary forms: other vinyl polymers in primary forms	15%	**12%; 10%		
3906	Acrylic polymers in primary forms	15%	**12%; 10%		
3907	Polyacetals, other polyethers and epoxide resins, in primary forms; polycarbonates, alkyd resins, polyallyl esters and other polyesters, in primary forms	15%	**12%; 10%		

Tariff item number	Description of products	Base rate of duty (U/B)	Bound rate of duty	Initial negotiating right	Other duties and charges
1	2	3	4	5	6
3908	Polyamides in primary forms	15%	**12%: 10%		
3909	Amino-resins, phenolic resins and polyurethanes, in primary forms:	15%	**12%: 10%		
3917.20.00	Tubes, pipes and hoses, rigid:		15%		
3917.31.00	Flexible tubes, pipes and hoses, having a minimum burst pressure of 27.6 MPa		15%		
3917.32.00	Other, not reinforced or otherwise combined with other materials, without fittings		15%		
3917.33.00	Other, not reinforced or otherwise combined with other materials, with fittings		15%		
3917.39.00	Other		15%		
3917.40.00	Fittings		15%		
3918	Floor coverings of plastics, whether or not self-adhesive, in rolls or in the form of tiles; wall or ceiling coverings of plastics, as defined in Note 9 to this Chapter		12%		
3921	Other plates, sheets, film, foil and strip, of plastics		12%		
3922	Baths, shower-baths, wash-basins, bidets, lavatory pans, seats and covers, flushing cisterns and similar sanitary ware, of plastics:		14%		
3923	Articles for the conveyance or packing of goods, of plastics: stoppers, lids, caps and other closures, of plastics		12%		
3924	Tableware, kitchenware, other household articles and toilet articles of plastics:		14%		
3925	Builders' ware of plastics, not elsewhere specified or included:		12%		
3926	Other articles of plastics and articles of other materials of headingNos 3901 to 3914:		14%		
4009.00 to 4013.20	Rubber manufactures (Tyres and inner tubes, hoses and pipes, driving belts)		16%		
4101.00 to 4111.00	Leather		20%		

Tariff item number	Description of products	Base rate of duty (U/B)	Bound rate of duty	Initial negotiating right	Other duties and charges
1	2	3	4	5	6
4202.20 to 4202.90	Travel goods, handbags and similar containers		15%		
4401.10 to 4421	Wood and articles of wood, wood charcoal		15%		
4501.00 to 4504.90	Cork and articles of cork		15%		
4401.10 to 4504.90	Wood and cork manufactures (excluding furniture)		15%		
4801	Newsprint, in rolls or sheets		13%		
4802.00 to 4818.90	Paper and paper pulp manufactures		14%		
	EXCEPT:				
4805	Other uncoated paper and paperboard, in rolls or sheets		13%		
4819.10 to 4823.90	Carton or paper boxes and containers		25%		
5702.00, 6001.00, 6002.00	Textile yarn, fabrics, made-up articles not elsewhere specified (Fabrics, blankets, bed linens, curtains, carpets)		15%		
6301.9	Other blankets and rugs, n.e.s.		15%		
6302.1	Bed linen, table linen, toilet linen		15%		
6304	Other furnishing articles		15%		
6101.00 to 6217.00	Wearing apparel and related materials		20%		
6401.00 to 6406.00	Footwear		20%		
6801.00 to 7020.00	Refractory blocks, roof tiles, glass mirrors, fibre glass, bottles and China		20%		
7108.00, 9903.00	Commodities and transactions not elsewhere classified (special commodities, non-monetary and unwrought gold)		15%		
7113 to 7117	Articles of jewellery and parts thereof of precious metals or of metal clad with precious metal; articles of goldsmith' wares and parts:articles of natural or cultured pearls and imitation jewellery		15%		
7201	Iron and steel		30%		
7204	Ferrous waste and scrap		15%		
7205.2	Powders of pig iron, Spiegeleisen		15%		
7206.1	Iron and non-alloy steel in ingots		15%		

Tariff item number	Description of products	Base rate of duty (U/B)	Bound rate of duty	Initial negotiating right	Other duties and charges
1	2	3	4	5	6
7312.00, 7313.00, 7318.20, 7324.00 to 7324.90	Metal manufactures not elsewhere classified (aluminium doors and windows and frames thereof, iron and steel wires, nails, hand-tools, sanitary-ware and household ustensils)		15%		
7601	Unwrought aluminum		15%		
7611	Aluminum reservoirs, tanks, vats		15%		
7612	Aluminum casks, drums, cans, boxes		15%		
7411.00, 7604.00	Non-ferric metal manufactures (copper tubes and pipes, aluminum bars and sheets)		15%		
8413.19, 8413.40, 8414.10, 8418.50, 8419.40, 8426.20	General industrial machinery and equipment (refrigerating or freezing counters, rectifying plants, concrete pumps, pumps for liquids, cranes, taps and valves)		15%		
8421.21	Machinery and apparatus for filtering or purifying water		14%		
8429.11, 8432.10, 8443.11 to 8443.60, 8452.10	Machinery specialized for particular industries (Ploughs, tractors, bulldozers, printing and sewing machines)		12%		
8701.1	Pedestrian controlled tractors		12%		
8458.10, 8458.90, 8460.30, 8468.00	Metal woring machines (turning, grinding, welding and pressing machines)		12%		
8471.99	Office machinery and automatic data processing equipment		15%		
8501.10 to 8502.40	Power generating machinery and equipment		12%		
8501.10 to 8516.90	Electrical machinery apparatus, appliances		20%		
8517.10 to 8528.20	Telecommunication apparatus and equipment		15%		
8701.20 to 8716.90	Road vehicles		15%		
Chapter 88	Aircraft, spacecraft, and parts thereof		5%		
8901.10 to 8908.00	Other transport equipment		12%		
9007.00 to 9010.00	Photographic and cinematographic apparatus, equipment and supplies		15%		

Tariff item number	Description of products	Base rate of duty (U/B)	Bound rate of duty	Initial negotiating right	Other duties and charges
1	2	3	4	5	6
9018.5	Professional, scientific and controlling instruments, apparatus and optical goods		15%		
9101.00 to 9110.00	Watches and clocks		15%		
9401.10 to 9403.90	Furniture and parts thereof, metal, wood		30%		
9406	Prefabricated buildings, sanitary and heating fixtures and fittings		15%		
9501.00 to 9504.00	Miscellaneous manufactured goods not elsewhere classified (Children toys, magnetic tapes for sound recording, stationary and office requirements, imitation jewelry)		15%		

* Reduced to that level after 10 years

** Reduced to the first level after 10 years and then to the second level after an additional 5 years.

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments	Notes
Qatar				
ALL SECTORS INCLUDED IN THIS SCHEDULE	3) As stipulated in Qatari laws, decisions and regulations, National services and goods or services and goods of national origin should have priority in purchases of Governmental, Semi-Governmental and Public Sector Departments, as well as in purchases of national and foreign contractors, awarded contracts by the Government of Qatar or its affiliate bodies to fulfil in or outside the country. The priority referred to above is only applicable if the differential in price of goods or services of national origin is not in excess of 10 % compared to those of foreign origin (law nr. 6 of 1987). With the exemption of banks, financial and insurance institutions and other sectors and sub-sectors which are not stipulated as areas of commitments with limitations on the number of service suppliers in the attached schedules, foreign commercial presence should be either through a Qatari Agent working in the same field of services or related to it (official agency contract must be registered with the Ministry of Finance, Economy and Commerce). Or: through a partnership with the capital of Qatari Company. Foreign commercial presence may be required to provide certain benefits in the form of technology transfer, research and development programs, technical or marketing assistance and educational or training of local manpower.	3) Possessing, buying, selling or dealing in Qatari shares are, presently, confined to Qatari natural or juridical persons. Foreigners are not allowed to invest in Qatari shares. The restriction on acquisition of Qatari shares by foreigners is made because of the small number of Qatari joint stock companies (around 20) and absence of organized stock exchange market. Acquisition of land or real estate by foreign natural persons or foreign juridical persons are not allowed. Foreigners can acquire land for economic activities on long lease particularly for industrial use. Foreign nationals or companies with foreign share holdings may be required to pay direct taxes on income derived from work or operations in Qatar, whereas local services suppliers or local Qatari companies may not be required to pay similar taxes (Law nr. 11 of 93). Foreign nationals or companies may obtain tax exemption for 5-10 years before making the investment.		

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments	Notes
	3) As stipulated in Qatari laws, decisions and regulations, National services and goods or services and goods of national origin should have priority in purchases of Governmental, Semi-Governmental and Public Sector Departments, as well as in purchases of national and foreign contractors, awarded contracts by the Government of Qatar or its affiliate bodies to fulfil in or outside the country. The priority referred to above is only applicable if the differential in price of goods or services of national origin is not in excess of 10 % compared to those of foreign origin (law nr. 6 of 1987). With the exemption of banks, financial and insurance institutions and other sectors and sub-sectors which are not stipulated as areas of commitments with limitations on the number of service suppliers in the attached schedules, foreign commercial presence should be either through a Qatari Agent working in the same field of services or related to it (official agency contract must be registered with the Ministry of Finance, Economy and Commerce). Or: through a partnership with the capital of Qatari Company. Foreign commercial presence may be required to provide certain benefits in the form of technology transfer, research and development programs, technical or marketing assistance and educational or training of local manpower.	3) 4) National services industries and services may have some kind of incentives and assistance, like industrial land blocks, easy financial loans, market research and marketing programmes including the organization of exhibitions or facilitating its taking part in Qatari pavilion in international fairs and exhibitions, with free or lowered costs, establishing of marketing centres (inside or outside the country), and/or granting discount on the prices of its advertising programmes in national TV and national advertising agencies and some other incentives alike.		
	4) Unbound, except for measures concerning the entry and temporary stay of natural persons falling within the following categories: - Managers - Specialists, and - Skilled technicians Presence of foreign natural persons as self employers is not allowed.	4) Unbound, except for measures concerning the categories of natural persons referred to in the market access column. Housing and social programmes and some aspects of free health care, are limited to Qatari citizens.		

Appendix 5: Tariffs, Imports, Exports, and Duties.

[illegible]

Part A.1 Tariffs and imports: Summary and duty ranges

Summary		Total	Ag	Non-Ag	WTO member since		1996
Simple average final bound		16 0	25.7	14.5	Binding coverage:	Total	100
Simple average MFN applied	2007	4 9	6.3	4.7		Non-Ag	100
Trade weighted average	2006	4.7	6 1	4 6	Ag: Tariff quotas (in %)		0
Imports in billion US$	2006	15.1	0 9	14 3	Ag: Special safeguards (in %)		0

Frequency distribution		Duty-free	0 <= 5	5 <= 10	10 <= 15	15 <= 25	25 <= 50	50 <= 100	> 100	NAV
		Tariff lines and import values (in %)								in %
Agricultural products										
Final bound		0	0	0.7	76 0	17.7	0.1	0	5.5	0
MFN applied	2007	21.2	71.0	0	0	0	0	2.3	0	5.5
Imports	2006	33 3	63.8	0	0	0	0	2.9	0	4.6
Non-agricultural products										
Final bound		1.1	0 3	15.7	65 0	15.7	2.2	0	0	0
MFN applied	2007	6 8	93.0	0	0	0	0	0	0	0.3
Imports	2006	7 8	92.2	0	0	0	0	0	0	0.1

Part A.2 Tariffs and imports by product groups

Product groups	Final bound duties				MFN applied duties			Imports	
	AVG	Duty-free in %	Max	Binding in %	AVG	Duty-free in %	Max	Share in %	Duty-free in %
Animal products	50.8	0	200	100	3.1	30.5	5	1.2	42.2
Dairy products	15.1	0	20	100	5.0	0	5	0.6	0
Fruit, vegetables, plants	14 8	0	15	100	3.3	32.7	5	0.9	59.4
Coffee, tea	19 8	0	20	100	3.1	37.5	5	0.3	28.9
Cereals & preparations	15.3	0	200	100	3.5	30.0	5	1.2	47.6
Oilseeds, fats & oils	14.7	0	15	100	4.9	2.8	5	0.2	2.0
Sugars and confectionery	20.0	0	20	100	3.8	25.0	5	0.1	47.9
Beverages & tobacco	111.0	0	200	100	44.6	0	100	0.8	0
Cotton	15 0	0	15	100	5.0	0	5	0.0	0
Other agricultural products	17.2	0	200	100	4 8	11.0	100	0.2	12.6
Fish & fish products	15.0	0	15	100	3.3	34.4	5	0.1	36.4
Minerals & metals	16.5	0	30	100	4.9	2.3	5	27.0	0.7
Petroleum	15.0	0	15	100	5.0	0	5	0.5	0
Chemicals	7 5	5 5	30	100	4.4	11.1	5	6 2	17.6
Wood, paper, etc.	17.0	0	30	100	4.7	5.1	5	3.5	5.0
Textiles	15.0	0 2	20	100	5 0	0.2	5	1.3	0.4
Clothing	20.0	0	20	100	5.0	0	5	1.3	0
Leather, footwear, etc.	16.8	0	20	100	5.0	0	5	1.2	0
Non-electrical machinery	14.9	0	15	100	4.8	4.9	5	25.7	7.2
Electrical machinery	18.6	0	20	100	4.0	20.9	5	13.6	25.4
Transport equipment	13 6	0	15	100	4.0	19.2	5	8.7	1.3
Manufactures, n.e s.	14.9	0	20	100	4.7	6.2	5	5.3	6 2

Part B Exports to major trading partners and duties faced

Major markets	Bilateral imports in million US$		Diversification 95% trade in no. of HS 2-digit	HS 6-digit	MFN AVG of traded TL Simple	Weighted	Pref. margin Weighted	Duty-free imports TL in %	Value in %
Agricultural products									
1. Saudi Arabia	2006	4	4	11	2 6	1 5	1.5	100.0	100 0
2 Pakistan	2006	2	6	8	8.6	8.3	0 0	0 0	0 0
3 Korea, Republic of	2006	1	1	1	20.3	8.0	0 0	0.0	0.0
4 United Arab Emirates	2005	1	10	15	5.6	4.5	4.5	100 0	100.0
5 European Communities	2006	0	5	6	9.6	8.1	2.3	50 0	17.2
Non-agricultural products									
1 Japan	2006	14,795	1	4	0 6	0.0	0.0	85.4	99.9
2 Korea, Republic of	2006	6,983	1	3	6.0	3 0	0 0	21.7	0.0
3 European Communities	2006	2,650	7	9	3.1	1.0	0.8	80 9	93 5
4 Singapore	2006	2,433	2	3	0 0	0 0	0.0	100.0	100.0
5 Thailand	2006	1,558	2	3	11.9	0.9	0 0	17.5	87 9

[illegible]

The *World Tariff Profiles 2008* is the second edition of a new inter-agency statistical publication devoted to market access. The reader will find in this comprehensive report the main tariff parameters for 152 WTO members and some other selected countries and customs territories. The description of the tariffs imposed by each economy on its imports is complemented with an analysis of the market access conditions it faces in its major export markets. The publication provides a comprehensive picture of tariff and *ad valorem* equivalents in an abridged format.

This joint publication of the World Trade Organization (WTO), the United Nations Conference on Trade and Development (UNCTAD) and the International Trade Centre (ITC) is aimed at both specialists and non-specialists alike. Numbers play a fundamental role in key areas of trade negotiations. Perhaps more than in any previous multilateral round of trade negotiations, "tariffs" and "formulas" have been at the core of the Doha negotiations.

The standardized presentation allows for analyses and comparisons between countries and sectors and between bound and applied duties for WTO members. However, a number of caveats apply when information is highly aggregated and when estimates are used for calculating *ad valorem* equivalents of non-*ad valorem* duties. The reader is advised to read the methodological notes that precede the statistical tables. The standard Harmonized System (HS) nomenclature breakdown was chosen as the yardstick for most calculations so as to avoid the very diverse breakdowns of national tariff line nomenclatures affecting the comparability between bound and applied duties and across countries.

The publication is presented in three main parts. The first part shows summary statistics for all countries and territories for all products, as well as a break-down into agricultural and non-agricultural products. The second part shows one full page for each of these countries and territories, with disaggregation by sectors and duty ranges. It also contains a section on the market access conditions faced in their respective major export markets. The third part looks at the impact of the changes in the HS on WTO members' schedules and includes a summary table on concessions on other duties and charges (ODCs).

The summary tables in the first part are designed to allow a cross-country comparison as well as a comparison of the levels of bound and applied duties. Apart from the standard indicators like tariff averages, maxima, percentage of duty-free tariff lines, peaks and non-*ad valorem* duties, it also contains indicators of tariff dispersion such as the number of distinct duties and the coefficient of variation. The calculation of these indicators is based, where applicable, on a pre-aggregation to HS six-digit subheadings, which leads to a standardization across countries and thus makes the comparisons more compatible.

The country pages are divided into two blocks covering in Part A the domestic market access protection and in Part B the protection faced in the major export markets. In Part A, information on bound and applied duties is shown by duty ranges and by sectors. Information for agricultural and non-agricultural duties is shown separately. In addition, there are indicators on the occurrence of special safeguards and on tariff quotas. In Part B, the trade diversification and market access conditions in the five major export markets are depicted, broken down in this year's edition into agricultural and non-agricultural products.

The third part contains the technical annexes. In this year's edition, they comprise (i) an article on the impact of the changes in the HS on WTO members' schedules and (ii) summary statistics on concessions on ODCs. Also provided are the data sources and a glossary, which briefly explains some of the most commonly used tariff and trade-related terms.

TECHNICAL NOTES

Only duties and imports recorded under HS Chapters 01-97 are taken into account. National tariff lines that do not follow the corresponding standard HS nomenclature at the level of HS six-digit subheadings used by the country for the reference year were discarded and not taken into account. All calculations are based on the complete standard nomenclature. All simple averages are based on pre-aggregated HS six-digit averages. Pre-aggregation means that duties at the tariff line level are first averaged to HS six-digit subheadings. Subsequent calculations are based on these pre-aggregated averages.

To the extent possible, non-*ad valorem* duties are converted into *ad valorem* equivalents. The methodology used for the conversion is in Technical Annex B of *World Tariff Profiles 2006.*

Part A.1
Tariffs and imports: Summary and duty ranges

Row titles	Description or method of calculation
Simple average final bound	Simple average of final bound duties excluding unbound tariff lines.
Simple average MFN applied	Simple average of MFN applied duties.
Trade weighted average	HS six-digit MFN tariff averages weighted with HS six-digit import flows.
Imports in billion US$	Imports in billion US$.
Binding coverage	Share of HS six-digit subheadings containing at least one bound tariff line. The percentage share is also presented separately for non-agricultural (Non-AG) tariff lines. Full binding coverage is indicated by 100 without further decimals. If some tariff lines are unbound but the result still rounds to 100 this is reflected by maintaining one decimal, i.e. 100.0.
AG: Tariff quotas (in %)	Per cent of HS six-digit subheadings in the schedule of agricultural concession covered by tariff quotas. Partial coverage is taken into account on a *pro rata* basis.
AG: Special safeguards (in %)	Per cent of HS six-digit subheadings in the schedule of agricultural concessions with at least one tariff line subject to Special Safeguards (SSG). Partial coverage is taken into account on a *pro rata* basis.

Frequency distribution by duty ranges

The shares by duty ranges in the frequency distribution are based on the *pro rata* shares of tariff line level duties in the standard HS six-digit subheadings. For example, if there are two tariff lines in one HS six-digit subheading, one with a duty of 10 and one with a duty of 20, then half of the HS six-digit subheading is allocated to the 5-10 range and the other half to the 15-25 range. The frequency distribution includes AVEs whenever those were calculated. The percentages by duty ranges add up to 100 per cent for MFN applied duties unless there are non-computable AVEs or missing tariff lines for which no separate category was allocated. For bound duties, the duty ranges add up to the percentage of the binding coverage unless there are non-computable AVEs or missing tariff lines. Please note that the use of different nomenclatures for bound and MFN applied duties affects the comparability of bound and MFN applied duty shares by frequency ranges.

When trade is available at the tariff line level, imports are allocated on a tariff line basis to the respective duty ranges. Otherwise, HS six-digit imports are allocated on a *pro rata* basis to duty ranges, e.g. if there are two tariff lines in one HS six-digit subheading, one with a duty of 10 and one with a duty of 20 then half of the HS six-digit imports are allocated to the 5-10 range and the other half to the 15-25 range.

Share of HS six-digit subheadings subject to non-*ad valorem* duties. When only part of the HS six-digit subheading is subject to non-*ad valorem* duties, the percentage share of these tariff lines is used.

Part A.2

Tariffs and imports by product groups

Column heading		Description or method of calculation
Final bound duties	AVG	Simple average of final bound duties excluding unbound tariff lines.
	Duty free	Share of duty-free HS six-digit subheadings in the total number of subheadings in the product group. Partially duty-free subheadings are taken into account on a *pro rata* basis.
	Max	Highest *ad valorem* duty or calculated AVE within the product group.
	Binding in %	Share of HS six-digit subheadings containing at least one bound tariff line. Full binding coverage is indicated by 100 without further decimals. If some tariff lines are unbound but the result still rounds to 100 this is reflected by maintaining one decimal, i.e. 100.0.
MFN applied duties	AVG	Simple average of MFN applied duties.
	Duty free	Share of duty-free HS six-digit subheadings in the total number of subheadings in the product group. Partially duty-free subheadings are taken into account on a *pro rata* basis.
	Max	Highest *ad valorem* duty or calculated AVE within the product group.
Imports	Share in %	Share of imports falling under product group.
	Duty free in %	Share of MFN duty-free imports falling under product group in total imports in that product group. Partially duty-free subheadings are taken into account on a *pro rata* basis if tariff line imports are not available.

Part B

Exports to major trading partners and duties faced

Column heading		Description or method of calculation
Bilateral imports	in Mill US$	Total imports of major partner countries.
Diversification: 95 % trade in no. of	HS 2 digit	Number of HS Chapters with trade flows after exclusion of 5 per cent of smallest bilateral tariff line trade flows.
	HS 6 digit	Number of HS six-digit subheadings with trade flows after exclusion of 5 per cent of smallest bilateral tariff line trade flows.
MFN Average of traded TL	Simple	Simple average of MFN duties based only on tariff lines with imports.
	Weighted	Trade-weighted average MFN duty.
Preference margin	Weighted	Trade-weighted average difference between the MFN duty and the most advantageous preferential duty. Tariff lines where either MFN or preferential duties cannot be expressed in *ad valorem* terms have been excluded.
Duty-free imports	TL in %	Duty-free tariff lines in per cent of all traded tariff lines; includes duty-free preferential treatment. Partially duty-free subheadings are taken into account on a *pro rata* basis if tariff line imports are not available.
	Value in %	Share of duty-free trade in per cent of all bilateral trade flows; includes duty-free preferential treatment. Partially duty-free subheadings are taken into account on a *pro rata* basis if tariff line imports are not available.

Definition of product groups used in part A.2

Product Group	MTN[1]	Harmonized System nomenclature 2007
Agricultural products (Ag)		
Animal products	17	Ch. 01, Ch. 02, 1601-02
Dairy products	21	0401-06
Fruit, vegetables, plants	12	Ch. 07, Ch. 08, 1105-06, 2001-08
	19	0601-03, 1211, Ch. 13, Ch. 14
Coffee, tea	13	0901-03, Ch. 18 (except 1802), 2101
Cereals and preparations	x15	0407-10, 1101-04, 1107-09, Ch. 19, 2102-06, 2209
	16	Ch. 10
Oilseeds, fats & oils	18	1201-08, Ch. 15 (except 1504), 2304-06, 3823
Sugars and confectionary	14	Ch. 17
Beverages and tobacco	20	2009, 2201-08
	22	Ch. 24
Cotton	x23	5201-5203
Other agricultural products	x15	0904-10
	x23	Ch.05, 0604, 1209-10, 1212-14, 1802, 230110, 2302-03, 2307- 09, 290543-45, 3301, 3501-05, 380910, 382460, 4101-03, 4301, 5001- 03, 5101-03, 5301-02

1 Multilateral Trade Negotiations (MTN) categories were first defined in the Tokyo Round and adapted for the Harmonized System in the Uruguay Round. The product group breakdown in this publication deviates slightly from the previous definition, which was based on the HS 1992 nomenclature.

Product Group	MTN[1]	Harmonized System nomenclature 2007
Non-agricultural products (Non-Ag)		
Fish and fish products	11	Ch. 03, 1504, 1603-05, 230120
Minerals and metals	4	2601-17, 2620, Ch. 72-76 (except 7321-22), Ch. 78-83 (except 8304-05)
	9	Ch. 25, 2618-19, 2621, 2701-04, 2706- 08, 2711-15, Ch.31, 3403, Ch. 68-71 (except 6807, 701911-19, 701940-59), 911310-20
Petroleum	97	2709-10
Chemicals	5	2705, Ch. 28-30 (except 290543-45, 300590), Ch. 32- 33 (except 3301, 330620)[2], Ch. 34 (except 3403, 3406), 3506-07, 3601-04, Ch. 37-39 (except 380910, 3823, 382460, 392112-13, 392190)
Wood, paper, etc.	1	Ch.44, 45, 47, 48, 49, 9401-04 (except 940490)
Textiles	x2	300590, 330620, 392112-13, 392190, 420212, 420222, 420232, 420292, Ch. 50-60 (except 5001-03, 5101-03, 5201-03, 5301- 02), Ch. 63, 640520, 640610, 640699, 6501-05, 6601, 701911-19, 701940-59, 870821, 8804, 911390, 940490, 961210
Clothing	x2	Ch. 61-62
Leather, footwear, etc.	3	Ch. 40, Ch. 41 (except 4101-4103), 4201-05 (except 420212, 420222, 420232, 420292), 4302-04, Ch. 64 (except 640520, 640610, 640699), 9605
Non-electrical machinery	7	7321-22, Ch. 84 (except 846721-29), 850860, 852841, 852851, 852861, 8608, 8709
Electrical machinery	8	846721-29, Ch. 85 (except 850860, 852841, 852851, 852861, 8519-8523 but including 852352)
Transport equipment	6	Ch. 86 (except 8608), 8701-08 (except 870821), 8711-14, 8716, 8801-03, Ch. 89
Manufactures, not elsewhere specified	10	2716, 3406, 3605-06, 4206, Ch. 46, 6506-07, 6602-03, Ch. 67, 6807, 8304-05, 8519-24, 8710, 8715, 8805, Ch. 90-93(except 9113), 9405-06, Ch. 95-97 (except 9605, 961210)

2 The part of HS subheading 330210 which relates to products originally classified as agricultural has not been taken into account in the Chemicals product group.

Appendix 6: Quarterly Statistical Bulletin, Qatar Central Bank, June 2008.

Qatar Central Bank
Department of Economic Policies

Quarterly Statistical Bulletin

June 2008
Volume 29 Number 1

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Table No. (1)

جدول رقم (1)

Main Economic Indicators

أهم المؤشرات الاقتصادية

In Million of QRs

بالمليون ريال قطري

Particulars	2005	2006	2007*	2007 Q2*	2007 Q3*	2007 Q4*	2008 Q1*	البيان
Population	888,451	1,041,733	1,226,211	---	---	---		عدد السكان
Production & Prices								الإنتاج والأسعار
GDP	154,564	206,644	258,591	59,819	66,562	77,205	84,309	إجمالي الناتج المحلي
Growth Rate(%)	33.8	33.7	25.1	8.8	11.3	16.0	9.2	معدل النمو (٪)
Oil Sector Share (%)	59.6	57.3	56.6	55.1	56.9	59.8	60.6	حصة القطاع النفطي (٪)
Growth Rate (%)	46.3	28.6	23.7	11.4	14.9	21.9	10.8	معدل النمو (٪)
Non-Oil Sector Share (%)	40.4	42.7	43.4	44.9	43.1	40.2	39.4	حصة القطاعات غير النفطية (٪)
Growth Rate (%)	18.8	41.1	27.1	5.7	6.8	8.2	6.9	معدل النمو (٪)
GDP Per Capita (QR Thousand)	174.0	198.4	210.9	---	---	---	---	نصيب الفرد من الناتج المحلي الإجمالي (ألف ريال)
CPI - Inflation (%)**	8.81	11.84	13.76	12.82	13.73	13.74	14.75	معدل التضخم (٪)**
Public Finance								المالية العامة
Total Revenues	64,984	84,998	115,460	1,080	29,351	32,746	52,283	إجمالي الإيرادات العامة
Total Expenditures	50,833	66,356	77,405	12,579	30,904	5,292	28,630	إجمالي النفقات العامة
Deficit or Surplus	14,151	18,642	38,055	-11,499	-1,553	27,454	23,653	العجز أو الفائض
Deficit or Surplus/GDP (%)	9.2	9.0	14.7	-19.2	-2.3	35.6	32.4	العجز أو الفائض / الناتج المحلي (٪)
Balance of Payments								ميزان المدفوعات
Trade Balance	60,781	70,034	80,793	16,898	19,247	31,173		الميزان التجاري
Exports (FOB)	93,773	123,945	152,951	34,904	39,699	47,878		الصادرات (فوب)
Imports (FOB)	-32,992	-53,911	-72,158	-18,006	-20,452	-16,705		الواردات (فوب)
Current Account (CA)	27,234	34,430	38,022	6,904	7,765	16,965		رصيد الحساب الجاري
CA/GDP (%)	17.6	16.7	14.7	11.5	11.7	22.0		رصيد الحساب الجاري/ الناتج المحلي(٪)
Capital & Financial Account	-4,321	-20,339	1,980	-14,589	-13,040	17,944		الحساب الرأسمالي والمالي
Overall Balance	16,319	19,800	46,092	-5,587	-6,610	36,633		الوضع الكلي للميزان

* Preliminary estimates.

** On Yearly Basis.

* تقديرات أولية.

** تم الاحتساب على أساس سنوي.

Table No. (2) / جـدول رقـم (٢)

Main Financial Indicators / أهم المؤشرات المالية

In Million of QRs / بالمليون ريال قطري

Particulars	2005	2006	2007	2007		2008		البيـــان
				Q 3	Q 4	Q 1	Q 2	
The Banking System								**الجهاز المصرفي**
Money Supply (M1)	22,362	27,883	35,375	33,345	35,375	50,913	55,922	عرض النقد (م١)
Growth Rate (%)	53.2	24.7	26.9	-0.4	6.1	43.9	9.8	معدل النمو (٪)
Money Supply (M2)	64,271	88,659	117,634	106,406	117,634	139,991	149,963	عرض النقد (م٢)
Growth Rate (%)	43.3	37.9	32.7	5.6	10.6	19.0	7.1	معدل النمو (٪)
Foreign Assets (Net)	47,820	61,251	61,312	53,857	61,312	76,384	79,315	صافي الموجودات الأجنبية
Domestic Assets (Net)	16,451	27,408	56,322	52,549	56,322	63,607	70,648	صافي الموجودات المحلية
of which: Domestic Claims (Net)	54,713	71,199	111,636	107,130	111,532	131,520	138,477	منها: صافي المطالبات المحلية
Money Supply (M3)*	87,759	123,683	167,764	149,828	167,764	189,854	213,152	عرض النقد (م٣)*
Growth Rate (%)	39.2	40.9	35.6	13.5	12.0	13.2	12.3	معدل النمو (٪)
Qatar Central Bank								**مصرف قطر المركزي**
Reserve Money (M0)	8,258	10,154	30,652	11,495	30,652	47,608	38,733	النقود الاحتياطية (م٠)
Foreign Assets (Net)	16,580	19,694	34,616	22,592	34,616	57,665	45,935	صافي الموجودات الأجنبية
Foreign Assets	16,643	19,715	35,368	22,787	35,368	57,679	47,413	الموجودات الأجنبية
Foreign Liabilities	63	21	752	195	752	14	1,478	المطلوبات الأجنبية
QCB Rate (%)								سعر فائدة السوق النقدي القطري (٪)
Deposits	4.40	5.15	4.00	4.50	4.00	2.25	2.00	إيداع
Loan	4.50	5.50	5.50	5.50	5.50	5.50	5.50	إقراض
Repo Rate (%)	5.10	5.55	5.55	5.55	5.55	5.55	5.55	سعر الريبو (٪)
Commercial Banks								**البنوك التجارية**
Total Deposits	84,631	119,304	162,841	145,149	162,841	184,590	207,280	إجمالي الودائع
Private Deposits**	61,405	84,700	113,147	102,155	113,147	135,164	144,589	الودائع الخاصة**
Total Domestic Credit	67,366	94,773	146,329	137,431	146,329	164,964	182,038	إجمالي الائتمان المحلي
Private Sector Credit	48,716	73,236	110,427	100,197	110,427	127,259	139,725	الائتمان الخاص
Foreign Assets (Net)	31,240	41,557	26,696	31,265	26,696	18,720	33,380	صافي الموجودات الأجنبية
Foreign Assets	41,648	66,311	88,961	78,390	88,961	86,202	103,754	الموجودات الأجنبية
Foreign Liabilities	10,407	24,754	62,265	47,125	62,265	67,482	70,374	المطلوبات الأجنبية
Capital Accounts	14,553	23,311	33,885	26,960	33,885	38,636	44,911	حسابات رأس المال
Doha Securities Market								**سوق الدوحة للأوراق المالية**
Traded Volume (thousand)	1,033,082	1,865,441	3,411,257	522,335	1,482,705	689,489	1,355,430	عدد الأسهم المتداولة (بالألف)
Traded Value	102,842	74,947	108,930	16,671	49,103	36,058	66,688	قيمة الأسهم المتداولة
Market Capitalization	317,202	221,730	347,695	276,933	347,695	381,532	495,087	القيمة السوقية للأسهم المدرجة في السوق
No. of Listed Companies	32	36	40	38	40	42	43	عدد الشركات المقيدة
Index	11,053	7,133	9,580	8,097	9,580	9,555	11,864	المؤشر
Rate of Change (%)	70.2	-35.5	34.3	10.2	18.3	-0.3	24.2	معدل التغير (٪)

* M2 plus Government Deposits.
** Including Semi Government Institutions Deposits.

* عرض النقد (م٢) مضافاً إليه الودائع الحكومية.
** تشمل ودائع المؤسسات شبه الحكومية

الإنتــاج والأسعــار
Production & Prices

Table No. (26)

جـدول رقـم (٢٦)

Estimates of GDP by Economic Activity at Current Prices

تقديرات الناتج المحلي الإجمالي حسب النشاط الاقتصادي بالأسعار الجارية

In Million of QRs

بالمليون ريال قطري

Economic Activity	2003	2004	2005	2006	2007*	النشاط الاقتصادي
Agriculture and Fishing	201	210	216	233	250	الزراعة والصيد
Oil & Gas	50,551	62,922	92,071	118,443	146,476	النفط والغاز
Manufacturing	6,553	11,995	13,042	15,875	19,179	الصناعات التحويلية
Electricity & Water	1,205	1,482	2,209	3,513	4,329	الكهرباء والماء
Building & Construction	4,654	6,425	8,744	11,991	14,634	التشييد والبناء
Trade, Restaurants & Hotels	4,345	6,148	6,869	9,452	12,002	التجارة والمطاعم والفنادق
Trade	3,787	5,242	5,552	7,662	9,459	التجارة
Restaurants & Hotels	558	906	1,317	1,790	2,543	المطاعم والفنادق
Transport & Communications	2,911	4,020	5,114	7,159	9,803	النقل والاتصالات
Transport	1,438	1,896	2,219	3,881	5,826	النقل
Communications	1,473	2,124	2,895	3,278	3,977	الاتصالات
Finance, Insurance, Real Estate & Business Services	6,446	9,925	14,785	21,392	31,864	المال والتأمين والعقارات وخدمات والأعمال
Banks	2,903	3,200	6,139	8,117	11,398	البنوك
Insurance & Exchange Agencies	319	548	974	2,097	3,945	التأمين والصيارفة
Real Estate	2,491	4,532	5,798	8,606	12,207	العقارات
Business Services	733	1,645	1,874	2,572	4,314	خدمات الأعمال
Services	8,797	12,385	11,514	18,586	20,054	الخدمات
Government Services	9,495	11,848	12,389	19,271	20,828	الخدمات الحكومية
Imputed Bank Service Charges	-2,491	-2,761	-4,985	-6,009	-6,978	الخدمات المالية المحتسبة
Other Services	1,793	3,298	4,110	5,324	6,204	الخدمات الأخرى
Grand Total	85,663	115,512	154,564	206,644	258,591	المجموع العام
Growth Rate	21.5%	34.8%	33.8%	33.7%	25.1%	معدل النمو
Oil & Gas Sector	50,551	62,922	92,071	118,443	146,476	النفط والغاز
Relative Share	59.0%	54.5%	59.57%	57.32%	56.64%	النسبة للإجمالي
Growth Rate	24.2%	24.5%	46.33%	28.64%	23.67%	معدل النمو
Non - Oil Sectors	35,112	52,590	62,493	88,201	112,115	القطاعات غير النفطية
Relative Share	41.0%	45.5%	40.43%	42.68%	43.36%	النسبة للإجمالي
Growth Rate	18.0%	49.8%	18.83%	41.14%	27.11%	معدل النمو

* Preliminary Estimates.

Source: State of Qatar, Statistical Authority.

* تقديرات أولية.

المصدر: دولة قطر - جهاز الإحصاء.

Chart 14

GDP 2007

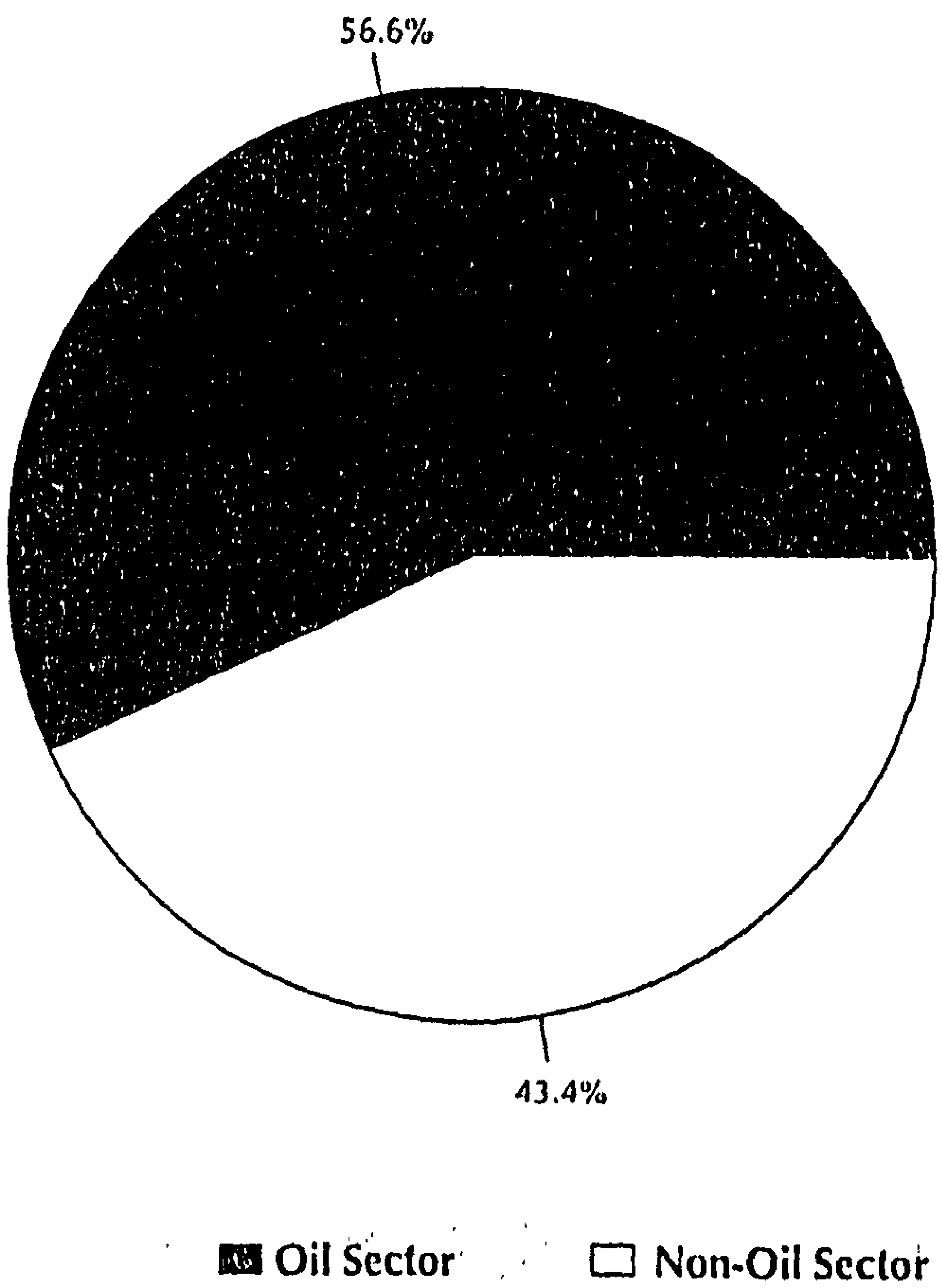


Table No. (27)

جـــدول رقـــم (٢٧)

Consumer Price Index

الرقم القياسي لأسعار المستهلك

(2001=100)

(٢٠٠١=١٠٠)

الفترة Period			الرقم القياسي العام General Price Index	التغير Change %	المواد الغذائية والمشروبات والتبغ Food, Beverages & Tobacco	الملابس والأقمشة والأحذية Clothing & Footwear	الايجار والوقود والطاقة Rent, Fuel & Energy	الأثاث والتجهيزات المنزلية Furniture & Furnituring	الخدمات الصحية Medical Services	النقل والاتصالات Transport & Communication	التعليم والثقافة والترفيه Education, Culture & Recreation	السلع والخدمات المتنوعة Miscellaneous Goods & Services
2003			102.51	#REF!	100.86	96.77	120.07	98.61	100.36	92.59	99.35	105.98
2004			109.48	6.80	104.22	104.60	139.55	101.91	98.93	95.98	102.27	110.34
2005			119.13	8.81	107.48	101.81	176.19	106.45	103.34	99.71	102.16	114.89
2006			133.23	11.84	115.36	114.46	221.94	110.87	104.55	101.56	104.53	130.51
2007			151.56	13.76	123.85	128.86	287.04	116.88	105.84	103.51	109.71	136.45
Q1	2006	الربيع الأول	126.71	#REF!	112.39	109.26	198.27	110.18	105.05	100.60	102.09	128.90
Q2		الربع الثاني	131.06	3.43	113.98	112.74	215.34	110.27	105.05	101.53	102.23	128.98
Q3		الربع الثالث	135.06	3.05	116.53	114.44	229.46	109.97	104.05	100.97	106.77	131.21
Q4		الربع الرابع	140.09	3.72	118.56	121.39	244.69	113.06	104.05	103.12	107.04	132.95
Q1	2007	الربيع الأول	145.42	3.80	119.18	123.21	267.31	114.82	105.29	103.17	107.31	135.25
Q2		الربع الثاني	147.86	1.68	120.98	128.06	272.86	114.94	105.29	102.79	109.15	135.51
Q3		الربع الثالث	153.61	3.89	124.20	130.47	295.44	118.52	106.38	103.39	110.71	135.93
Q4		الربع الرابع	159.34	3.73	131.03	133.70	312.56	119.23	106.38	104.69	111.67	139.12
Q1	2008	الربيع الأول	166.87	4.73	141.27	137.12	327.44	122.74	109.03	109.22	115.15	146.30

Source: State of Qatar, Statistical Authority.

المصدر: دولة قطر - جهاز الإحصاء.

Table No. (28)

جـــدول رقـــم (٢٨)

Inflation Rates

معـدلات التضخـم

(%)

(٪)

الفترة Period			التضخم الجوهري Core	الإيجـــار Rent	السلع المتاجر بها دولياً Tradable	السلع غير المتاجر بها دولياً Non-Tradables	السلع غير المتاجر بها دولياً بدون الإيجار Non-Tradable without Rent
2003			-1.08	20.31	0.66	6.55	-5.33
2004			4.80	20.52	5.11	12.64	4.00
2005			4.39	36.04	5.81	20.47	0.65
2006			4.89	25.31	5.90	16.78	2.10
2007			5.80	28.33	6.31	20.61	4.33
Q1	2006	الربع الأول	0.43	1.26	0.02	1.38	1.59
Q2		الربع الثاني	0.95	8.83	1.28	5.59	0.05
Q3		الربع الثالث	1.34	6.49	1.17	4.86	1.81
Q4		الربع الرابع	2.08	6.78	3.34	4.03	-1.33
Q1	2007	الربع الأول	0.76	9.45	0.87	6.56	0.45
Q2		الربع الثاني	1.41	2.11	1.45	1.87	1.31
Q3		الربع الثالث	1.17	8.43	1.01	6.38	1.63
Q4		الربع الرابع	2.35	5.89	2.86	4.45	0.88
Q1	2008	الربع الأول	4.65	4.85	5.40	4.18	2.45

Chart 15

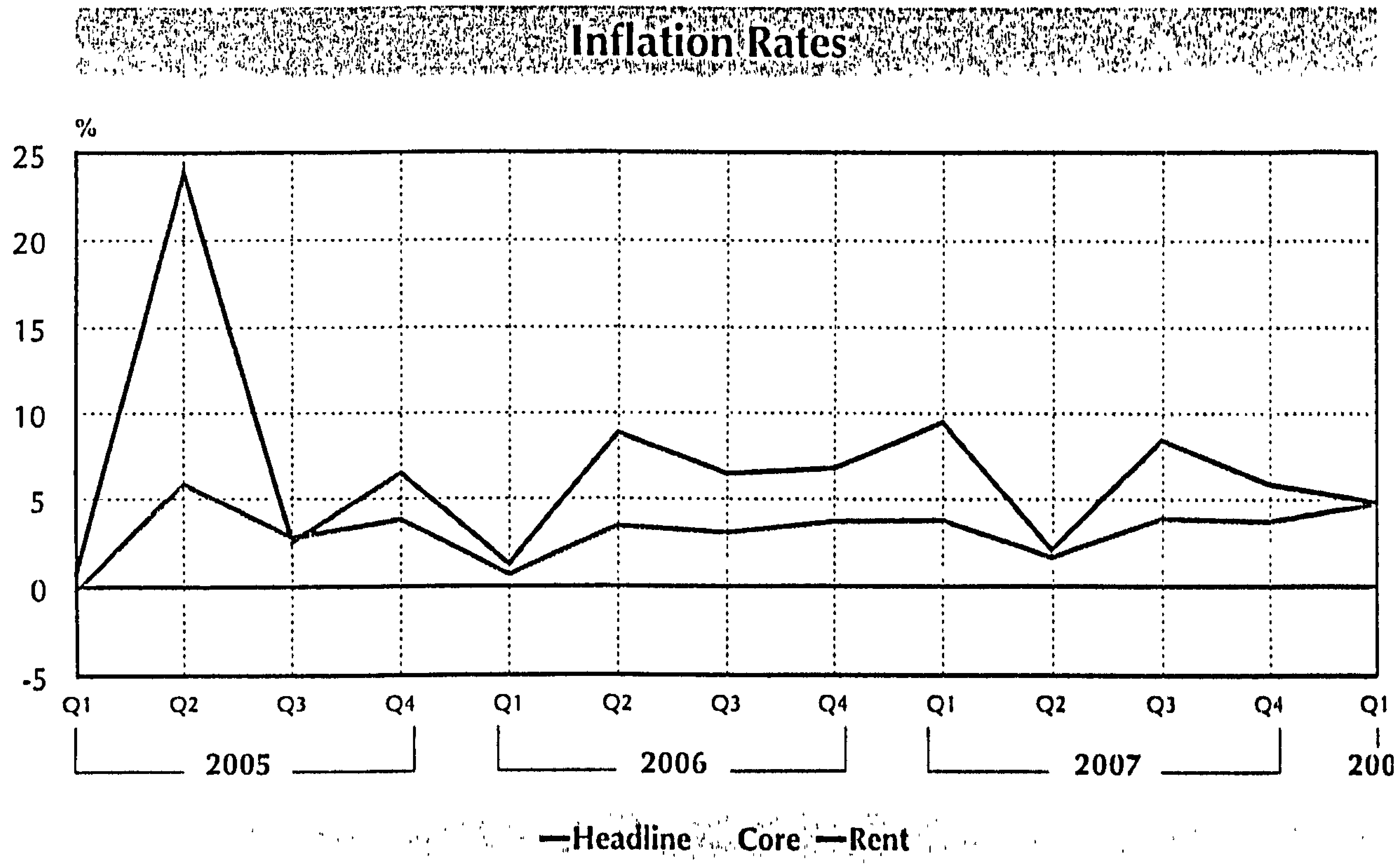
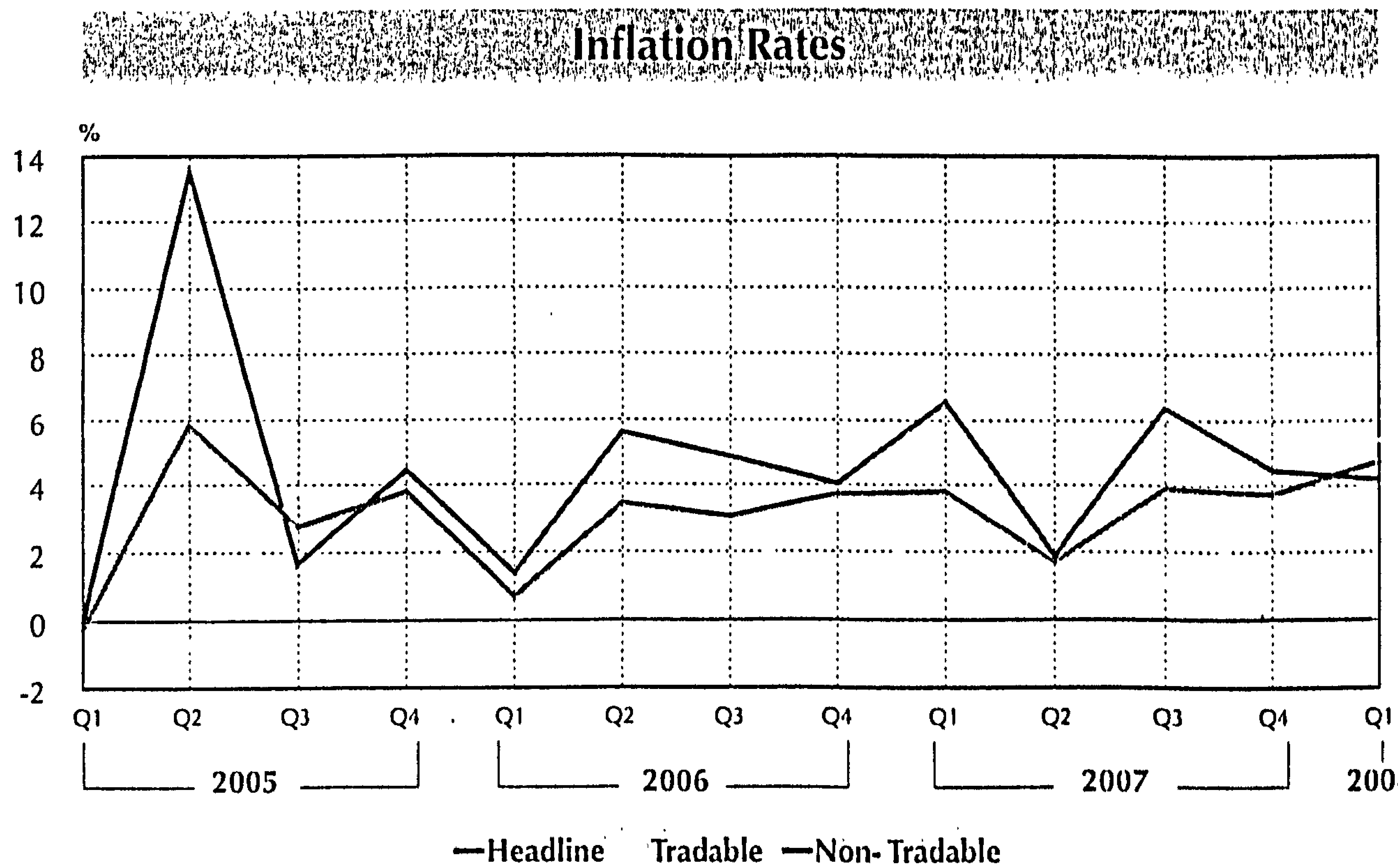


Chart 16



المالية العامة
Public Finance

Table No. (29) جـــدول رقـــم (٢٩)

The State Budget (Actual Figures) الموازنة العامةلدولة قطر (ارقام فعلية)

In Million of QRs بالمليون ريال قطري

	2003/04	2004/05	2005/06	2006/07*	2007/08*	
Total Revenues	30,563	55,064	64,984	84,998	115,460	إجمالي الإيرادات
Oil and Gas	19,593	36,319	43,616	54,919	70,120	النفط والغاز
Investment	8,063	13,711	14,233	20,644	30,370	الاستثمار
Others	2,907	5,034	7,135	9,435	14,970	أخرى
Total Expenditure	27,187	36,102	50,833	66,356	77,405	إجمالي النفقات
Current Expenditures	21,921	28,270	32,761	49,444	48,357	النفقات الجارية
Salaries and Wages	6,244	7,940	6,657	12,971	13,613	الرواتب والأجور
Interest Payment	1,942	1,880	1,922	1,938	1,550	الفوائد
Supplies and Services	1,943	1,572	1,008	1,076	6,166	امدادات وخدمات
Others	11,792	16,878	23,174	33,459	27,028	أخرى
Development Expenditures	5,266	7,832	18,072	16,912	29,048	نفقات انمائية
Surplus or Deficit (-)	3,376	18,962	14,151	18,642	38,055	الفائض أو العجز (-)
Indicators(%)						مؤشرات (٪)
Oil Revenue/Total Revenues	64.1	66.0	67.1	64.6	60.7	الإيرادات النفطية/ إجمالي الايرادات
Salaries & Wages/Total Expenditures	23.0	22.0	13.1	19.5	17.6	الرواتب والأجور / إجمالي النفقات
Surplus or Deficit/GDP	3.9	16.4	9.2	9.0	14.7	العجز أو الفائض/ الناتج المحلي الإجمالي

* Preliminary Data. * ارقـــام اولـيــة.

Source: Ministry of Finance. المصدر: وزارة الماليـــة.

Chart 17

The State Budget

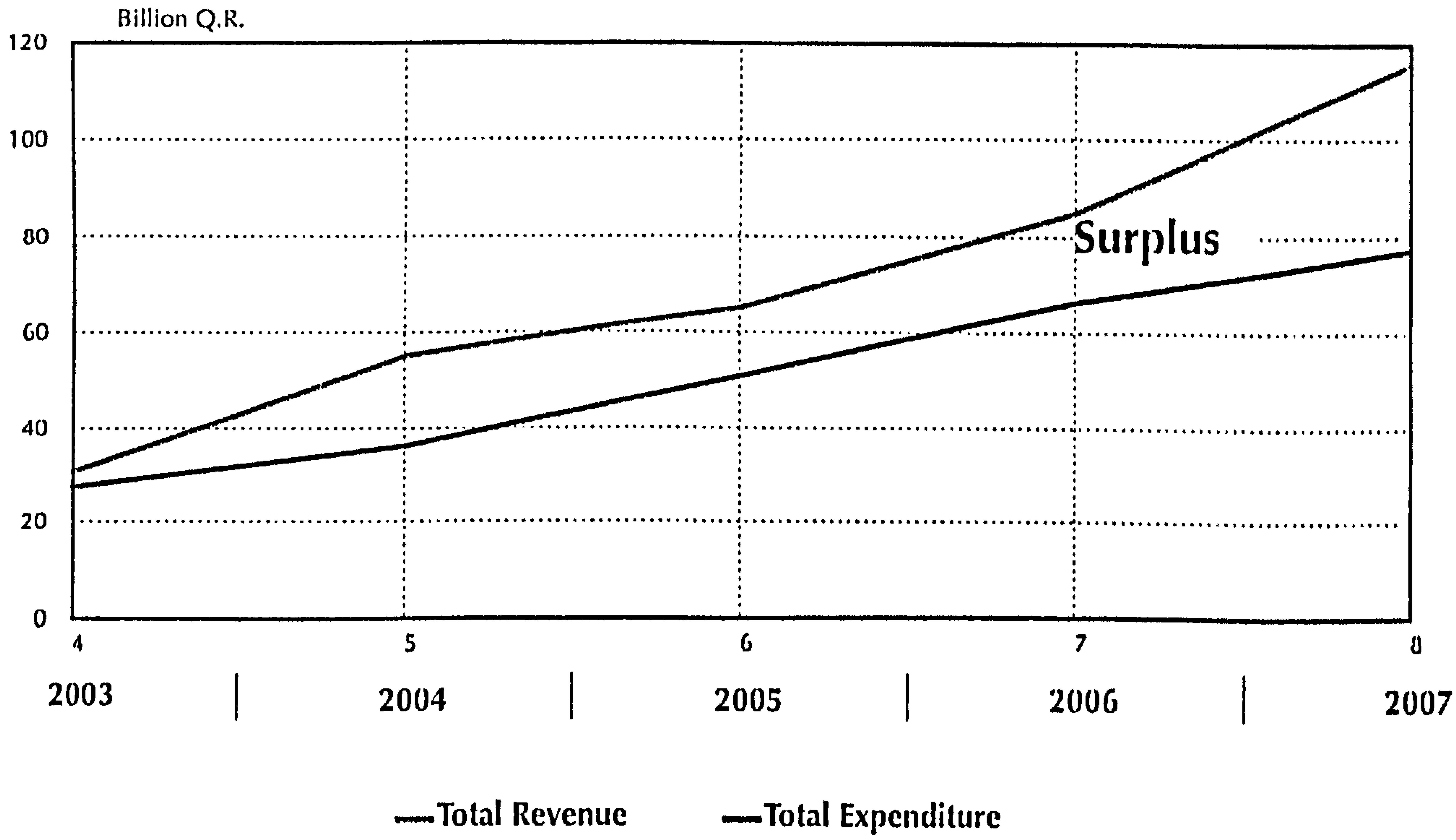


Table No. (30) جـــدول رقـــم (٣٠)

Domestic Government Bonds السندات الحكومية المحلية

In Million of QRs بالمليون ريال قطري

Issuances	القيمة Value	الرصيد القائم Outstanding Balance	تاريخ الإصدار Issuance Date	تاريخ الاستحقاق Maturity Date	سعر الفائدة % Interest Rate	الإصـــدارات
First Issuance	2,000	0	30/06/1999	30/06/2002	7.75	الإصـــدار الأول
Second Issuance	1,000	0	20/12/1999	20/12/2004	8	الإصـدار الثـاني
Third Issuance	2,000	0	26/12/1999	26/12/2004	8	الإصـدار الثـالث
Fourth Issuance	2,000	0	30/06/2002	30/06/2005	5-7*	الإصـــدار الرابع
Fifth Issuance	1,000	1,000	20/12/2004	20/12/2009	5	الإصدار الخامس
Sixth Issuance	2,000	2,000	26/12/2004	26/12/2009	5	الإصدار السادس
Seventh Issuance	2,000	2,000	30/06/2005	30/06/2010	5.5-7**	الإصدار السابع
Total	12,000	5,000	---	---	---	الإجمالي

* Equals to the QCBDR Rate plus 2% with min of 5% and max of 7%.

** Equals to the QCBDR Rate plus 1% with min of 5.5% and max of 7%.

* تعادل سعر المصرف للإيداع مضافاً إليه ٢٪ على أن يكون الحد الأدنى ٥٪ والأقصى ٧٪.

** تعادل سعر المصرف للإيداع زائداً ١٪ بحد أدنى ٥,٥٪، وحد اقصى ٧٪.

التجارة الخارجية و ميزان المدفوعات
Foreign Trade & Balance of Payments

Table No. (31)
جـدول رقـم (٣١)

Geographical Distribution of Imports
التوزيع الجغرافي للواردات

In Million of QRs
بالمليون ريال قطري

Country	2003	2004	2005	2006	2007	الدولـــة
Arab Countries	2,983.7	4,386.9	5,708.4	8,821.3	12,488.5	**الدول العربية**
U.A.E	1,187.5	1,381.3	2,355.9	3,606.5	5,632.3	الإمارات العربية المتحدة
Saudi Arabia	1,060.0	2,079.0	2,093.1	3,054.9	3,924.6	السعودية
Bahrain	235.0	289.2	224.0	444.4	676.3	البحـــرين
Jordan	54.4	53.6	86.5	139.9	174.5	الأردن
Lebanon	48.8	85.7	151.0	286.8	384.5	لبنـان
Kuwait	74.8	103.0	171.1	313.5	372.6	الكويـت
Syria	92 8	122.0	144.1	131.7	162.5	ســوريـا
Egypt	105.6	73.2	171.8	326.6	361.8	مصـر
Oman	103.6	161.2	281.2	440.2	755.1	سلطنـة عمان
Others	21.2	38.7	29.7	76.8	44.3	أخرى
Asian Countries	5,120.9	4,012.8	12,093.7	20,652.9	27,066.0	**الدول الأسيويـة**
Japan	1,866.4	1,141.4	4,263.0	7,182.8	7,982.5	اليابـان
India	560.9	513.7	1,411.7	1,642.0	2,276.1	الهنــد
South Korea	883.1	408.9	1,657.8	3,278.4	4,862.8	كوريـا الجنوبيـة
China	604.9	668.3	1,892.3	3,482.8	4,660.2	الصــين
Hong Kong	54.5	39.3	50.1	65.6	76.4	هونــج كونــج
Taiwan	108.8	87.2	208.2	261.8	376.1	تايـــوان
Malaysia	215.3	142.5	434.9	857.6	1,135.0	ماليزيـــا
Iran	65.6	49.8	189.9	194.0	215.8	إيــران
Indonesia	160.1	157.9	381.6	475.2	779.4	إندونيسيـا
Pakistan	116.4	95.2	162.8	189.2	391.8	باكستـان
Thailand	151.7	136.5	522.6	935.7	1,077.9	تايلانـد
Singapore	155.2	403.4	410.1	583.8	1,191.8	سنغافـورة
Turkey	106.6	117.0	253.9	1,217.0	1,716.4	تـركيـا
Philippines	28.9	21.1	114.9	104.4	86.6	الفلبين
Others	42.5	30.6	139.9	182.6	237.2	أخـرى
European Countries	6,681.7	10,545.7	13,032.1	22,056.9	28,722.7	**الدول الأوروبية**
U.K.	1,430.4	1,119.3	2,096.3	2,985.0	3,769.4	المملكة المتحدة
Germany	1,719.7	1,148.9	3,361.9	5,581.0	6,209.5	ألمانيا
Italy	1,326.4	740.3	2,364.7	5,543.3	8,229.2	ايطاليا
France	592.1	5,846.1	1,547.3	2,311.6	2,881.9	فرنسا
Holland	339.4	275.6	671.4	782.0	0.0	هولندا
Switzerland	225.0	391.3	510.0	883.2	1,113.0	سويسرا
Belgium	192.9	216.8	437.1	881.0	784.0	بلجيكا
Sweden	127.8	105.0	173.7	529.5	753.3	السويد
Spain	220.4	180.8	417.3	580.9	879.4	أسبانيا
Denmark	72.4	47.5	221.5	132.9	257.6	الدنمارك
Austria	75.3	85.4	217.2	338.6	436.0	النمسا
Ireland	74.3	75.2	146.6	204.1	220.0	إيرلندا
Greece	15.0	9.6	39.6	85.3	31.1	اليونان
Norway	31.3	31.6	38.6	162.6	70.6	النرويج
Romania	27.2	18.0	51.3	58.4	83.0	رومانيا
Others	212.1	254.3	737.6	997.5	3,004.7	أخرى
American Countries	2,655.5	2,580.6	5,139.6	7,293.2	10,537.5	**الدول الأمريكية**
U.S.A.	2,170.9	2,102.0	4,232.4	5,899.6	9,120.5	الولايات المتحدة الأمريكية
Brazil	164.8	208.7	431.9	543.9	270.9	البـــرازيـــل
Canada	119.6	48.9	164.2	307.6	412.5	كنـــدا
Argentina	47.7	35.6	100.3	167.7	112.8	الأرجنتــين
Mexico	48.5	20.4	102.3	229.1	1.2	المكسيـك
Others	104.0	165.0	108.5	145.3	619.6	أخـــرى
Pacifics Countries	317.1	265.8	493.5	817.6	929.1	**دول المحيط الهادي**
Australia	293.9	250.3	450.9	757.8	857.2	أســتراليـا
Newzealand	23.2	15.5	42.6	59.8	71.9	نيوزيلنــدا
African Countries	67.3	64.4	143.9	186.7	307.7	**الدول الأفريقية**
Not Specified	0.1	0.0	9.8	12.5	45.5	**دول غير مصنفة**
Total	17,826.3	21,856.2	36,621.0	59,841.1	80,097.0	**المجمـــوع**

Chart 18

Geographical Distribution of Imports

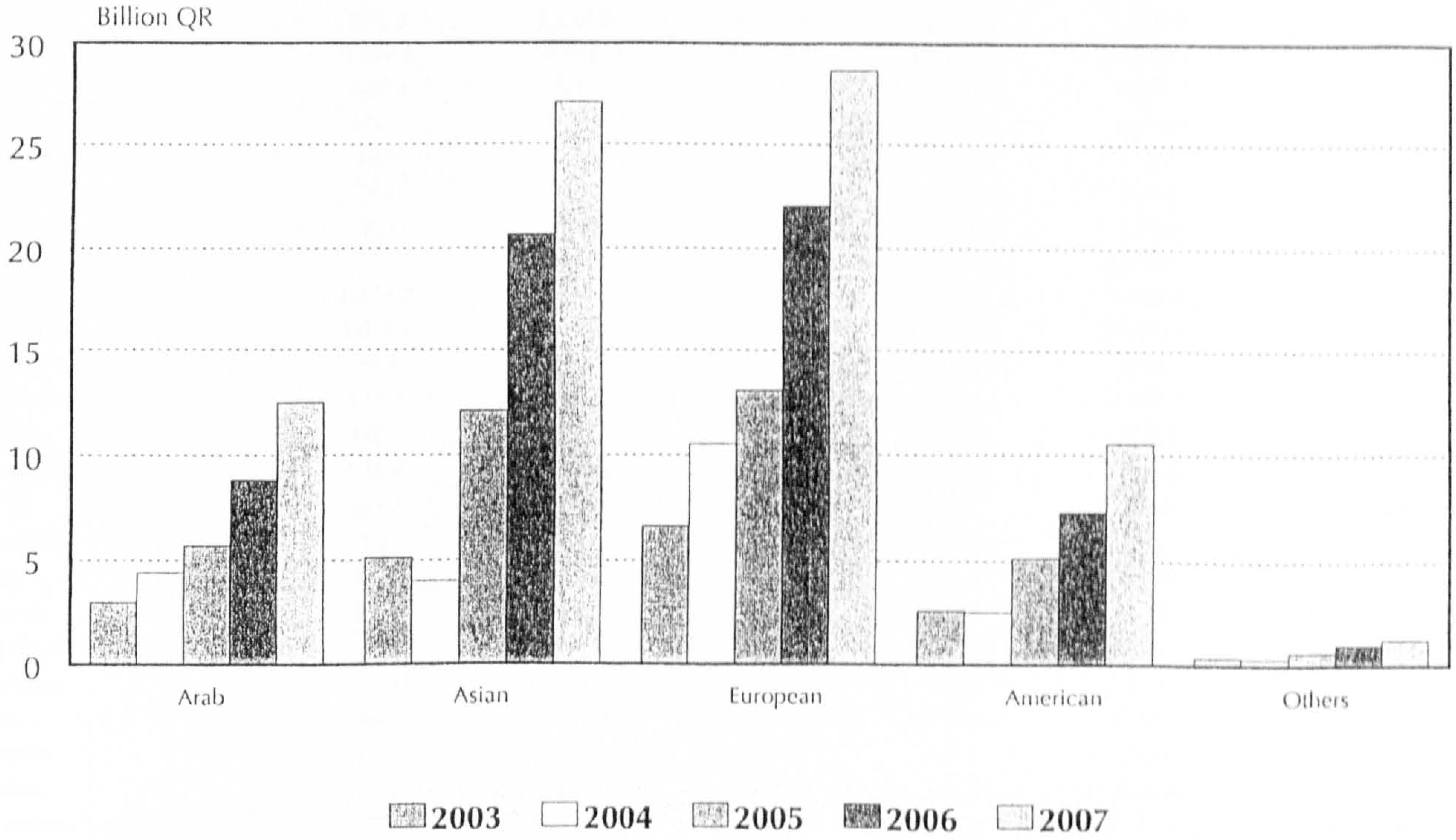


Table No. (32) جـدول رقـم (٣٢)

Geographical Distribution of Exports — التوزيع الجغرافي للصادرات

In Million of QRs — بالمليون ريال قطري

Country	2003	2004	2005	2006	2007	الدولـــة
Arab Countries	2,162.7	3,611.1	5,250.2	7,561.1	8,060.2	الدول العربية
U. A. E.	1,124.6	1,974.0	3,822.4	5,355.0	5,693.1	الامارات العربية المتحدة
Saudi Arabia	599.8	706.2	631.3	939.4	1,104.9	السعودية
Bahrain	96.6	110.5	166.1	280.7	229.1	البحرين
Jordan	18.6	82.7	113.2	197.1	262.0	الأردن
Lebanon	10.7	52.7	11.1	31.6	28.1	لبنان
Kuwait	59.4	183.1	60.9	135.8	171.8	الكويت
Syria	97.4	63.1	76.4	223.5	157.1	سوريا
Egypt	84.5	62.2	139.2	82.6	83.2	مصر
Oman	26.1	28.6	42.4	60.3	133.2	سلطنة عمان
Yemen	7.3	42.8	16.4	20.1	26.3	اليمن
Others	37.7	305.2	170.8	235.0	171.4	أخرى
Asian Countries	40,250.6	54,171.1	71,965.6	96,579.3	129,922.9	الدول الأسيوية
Japan	22,412.5	28,312.8	37,502.3	51,387.5	62,072.2	اليابان
India	535.5	3,655.0	3,203.4	6,035.6	9,720.2	الهند
South Korea	9,018.5	10,676.8	14,770.9	17,198.5	26,698.2	كوريا الجنوبية
China	937.9	751.3	1,369.1	1,449.6	1,219.2	الصين
Taiwan	316.7	921.8	2,381.6	1,943.6	1,849.8	تايوان
Malaysia	16.5	52.0	98.8	199.1	137.2	ماليزيا
Iran	28.5	217.5	142.1	84.2	198.4	إيران
Indonesia	10.7	86.7	16.0	89.4	211.4	اندونيسيا
Pakistan	57.1	422.8	752.9	1,363.9	1,714.4	باكستان
Thailand	1,451.8	1,153.3	1,893.8	3,389.5	7,003.1	تايلاند
Singapore	4,628.2	6,167.1	7,657.9	11,715.4	17,293.7	سنغافورة
Turkey	19.4	19.7	96.5	119.8	65.0	تركيا
Philippines	577.1	782.5	1,092.2	600.6	1,377.7	الفلبين
Others	240.2	951.8	988.1	1,002.6	362.4	أخرى
European Countries	940.4	1,878.6	1,942.4	4,790.1	7,066.9	الدول الأوروبية
U. K.	101.2	199.4	3.7	43.4	280.8	المملكة المتحدة
Germany	1.7	0.3	15.0	36.4	58.7	ألمانيا
Italy	34.7	73.7	55.7	165.5	198.8	إيطاليا
France	25.6	19.0	165.3	75.5	153.0	فرنسا
Holland	160.2	33.9	566.4	746.6	0.0	هولندا
Belgium	16.8	7.5	56.5	345.4	2,194.5	بلجيكا
Spain	546.7	1,257.8	892.2	3,050.9	3,410.0	أسبانيا
Greece	12.7	66.5	16.5	20.9	26.3	اليونان
Others	40.8	220.5	171.1	305.5	744.8	أخرى
American Countries	787.9	986.5	1,230.5	617.3	1,572.8	الدول الأمريكية
U. S. A.	764.7	854.6	1,133.4	529.5	1,065.1	الولايات المتحدة الأمريكية
Canada	1.5	124.4	0.3	6.3	12.8	كندا
Chile	2.3	0.8	6.8	4.7	69.8	شيلي
Peru	2.1	6.1	13.8	15.1	2.1	بيرو
Others	17.3	0.6	76.2	61.7	423.0	أخرى
Oceanic Countries	383.5	828.7	922.2	1,413.3	1,738.7	دول المحيط
Australia	143.2	579.1	482.6	738.4	708.8	استراليا
Newzealand	240.3	249.6	439.6	674.9	1,029.9	نيوزيلندا
African Countries	312.1	5,686.3	922.6	825.8	687.0	الدول الأفريقية
Not Specifies	3,184.1	0.0	10,000.1	12,158.1	3,902.5	دول غير مصنفة
Total	48,021.3	67,162.3	92,233.6	123,945.0	152,951.0	المجموع

Chart 19

Geographical Distribution of Exports

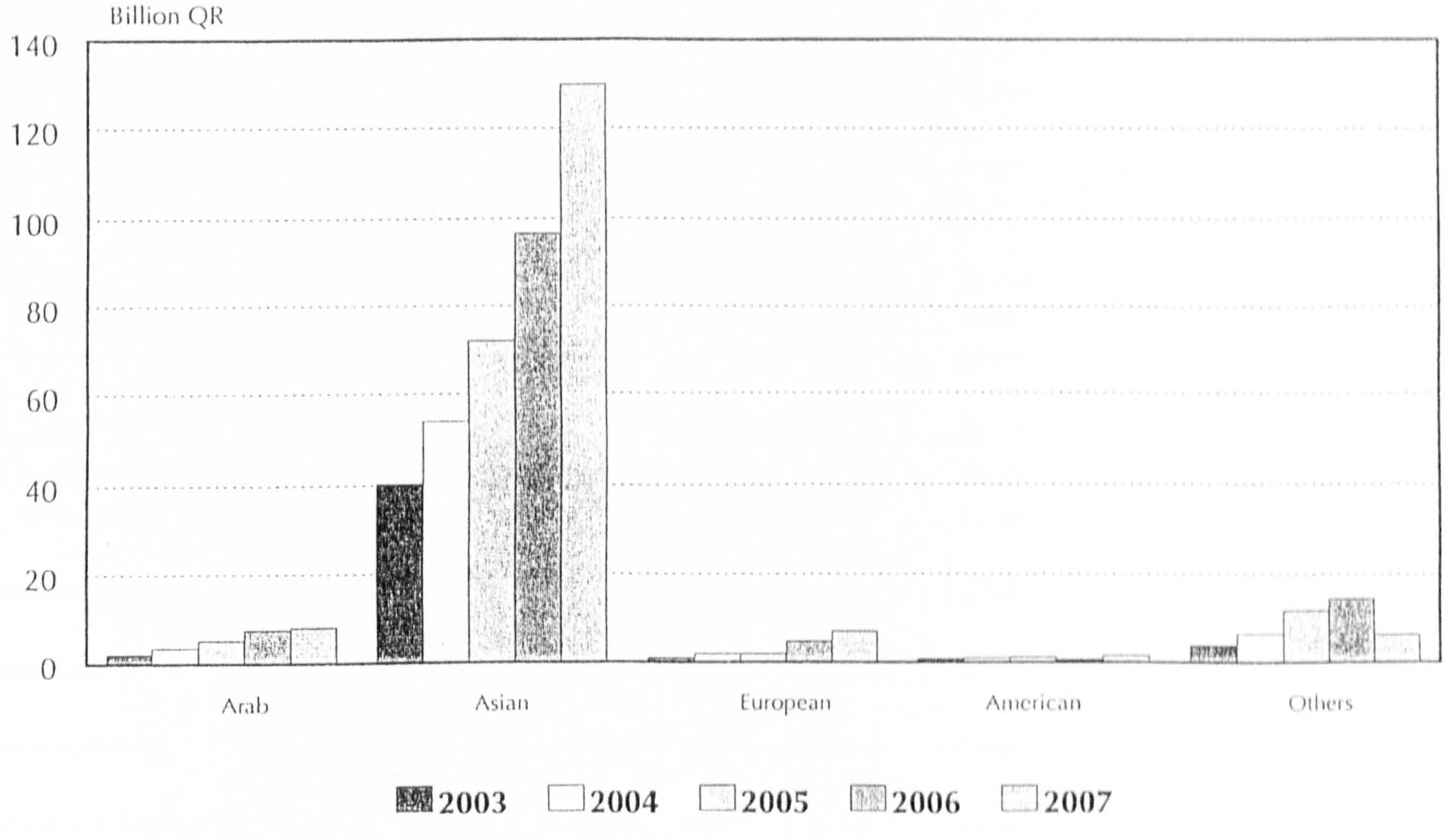


Table No. (33) | جـدول رقـم (٣٣)

Balance of Payments | ميزان المدفوعات القطري

In Million of QRs | بالمليون ريال قطري

	2003	2004	2005	2006	2007*	
Current Account	20,943	27,488	27,234	34,430	38,022	رصيد الحساب الجاري
Goods	32,846	48,321	60,781	70,034	80,793	السلـع
Exports (F.O.B.)	48,711	68,012	93,773	123,945	152,951	الصادرات (فوب)
Crude Oil	24,449	31,046	46,749	58,171	69,820	النفـط
Natural Gas Liquid	15,447	23,497	28,899	43,121	53,859	الغاز الطبيعي
Others	8,125	12,619	16,585	20,224	27,346	صادرات أخرى
Re-Export	690	850	1,540	2,429	1,926	إعادة التصدير
Imports (F.O.B.)	-15,865	-19,691	-32,992	-53,911	-72,158	الواردات (فوب)
Services	-4,380	-4,468	-3,362	-10,059	-13,562	الخدمات
Services (Credit)	4,141	6,110	11,723	15,263	13,075	الخدمات (دائن)
Travel	1,342	1,812	2,768	3,181	101	السفـر
Transportation	2,285	4,112	6,271	9,233	10,293	النقـل
Others	514	186	2,684	2,849	2,681	خدمات أخرى
Services (Debit)	-8,521	-10,578	-15,085	-25,322	-26,637	الخدمات (مدين)
Travel	-1,713	-2,515	-6,403	-13,652	-4,594	السفـر
Transportation	-1,606	-1,969	-6,324	-5,391	-17,879	النقـل
Others	-5,202	-6,094	-2,358	-6,279	-4,164	خدمات أخرى
Income	-1,516	-8,160	-20,805	-11,941	-15,430	الدخـل
Income (Credit)	4,927	4,633	5,139	7,207	4,978	الدخل (دائن)
Income (Debit)	-6,443	-12,793	-25,944	-19,148	-20,408	الدخل (مدين)
Transfers	-6,007	-8,205	-9,380	-13,604	-13,779	التحويلات الجارية
Expatriate's Remittances	-5,802	-7,920	-10,945	-14,252	-16,264	تحويـلات العاملين
Others (Net)	-205	-285	1,565	648	2,485	تحويلات أخرى (صافي)
Capital and Financial Account	-2,754	-4,861	-4,321	-20,339	1,980	الحساب الرأسمالي والمالي
Capital Account	-1,160	-2,004	-2,742	-3,608	-4,118	الحساب الرأسمالي
Financial Account	-1,594	-2,857	-1,579	-16,731	6,098	الحساب المالي (صافي)
Net Errors & Omissions	-2,790	-8,333	-6,594	5,709	6,090	صافي السهو والخطأ
Overall Balance	15,399	14,294	16,319	19,800	46,092	وفر أو عجز ميزان المدفوعات
Change in Reserves(Increase	-15,399	-14,294	-16,319	-19,800	-46,092	التغير في الاحتياطيات (الزيادة -)
(%) Indicators						مؤشرات (٪)
Trade Balance /GDP	38.3	41.8	39.3	33.9	31.2	رصيد الميزان التجاري / الناتج المحلي الاجمالي
CAB / GDP	24.4	23.8	17.6	16.7	14.7	رصيد الحساب الجاري / الناتج المحلي الاجمالي
Capital & Financial Balance / GDP	-3.2	-4.2	-2.8	-9.8	0.8	رصيد الرأسمالي والمالي / الناتج المحلي الاجمالي
Overall Balance / GDP	18.0	12.4	10.6	9.6	17.8	الوفر او العجز الكلي / الناتج المحلي الاجمالي

* Preliminary Estimsates. | * تقديـرات أوليـة.

Chart 20

Balance of Payments

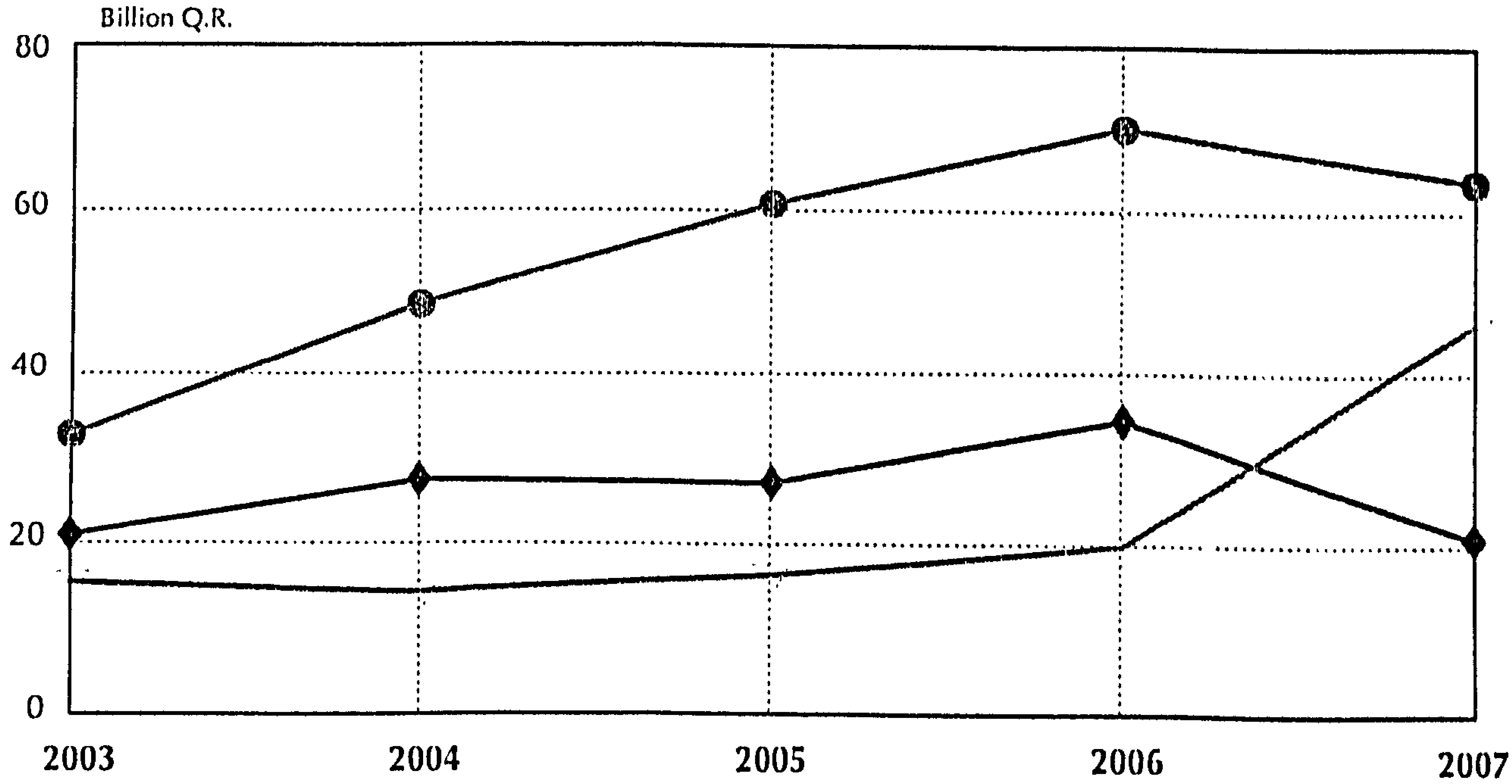


Table No. (34)

جدول رقم (٣٤)

Exchange Rate of GCC States and Major Currencies against QR

أسعار صرف أهم العملات الخليجية والرئيسية مقابل الريال القطري

QR

ريال قطري

Period Average معدل الفترة	Saudi Riyal الريال السعودي	UAE Dirham درهم الإمارات	Bahraini Dinar الدينار البحريني	Omani Riyal الريال العماني	Kuwaiti Dinar الدينار الكويتي	Euro يورو	Japanese Yen (Per Hundred) ين ياباني (كل مائة)	Sterling Pound جنيه استرليني	Swiss Franc فرنك سويسري	SDR وحدة حقوق السحب الخاصة
2003	0.972	0.991	9.681	9.467	12.215	4.108	3.140	5.948	2.702	5.409
2004	0.972	0.991	9.681	9.467	12.352	4.520	3.364	6.668	2.927	5.653
2005	0.972	0.991	9.681	9.467	12.466	4.527	3.303	6.626	2.923	5.203
2006	0.972	0.991	9.681	9.467	12.544	4.566	3.130	6.707	2.903	5.476
2007	0.972	0.991	9.681	9.467	12.812	4.982	3.091	7.286	3.032	5.752
Jun 2007 يونيو	0.972	0.991	9.681	9.467	12.636	4.884	2.969	7.228	2.951	5.517
Jul يوليو	0.972	0.991	9.681	9.467	12.720	4.992	2.994	7.401	3.011	5.574
Aug أغسطس	0.972	0.991	9.681	9.467	12.919	4.958	3.119	7.315	3.026	5.579
Sep سبتمبر	0.972	0.991	9.681	9.467	12.965	5.057	3.165	7.340	3.077	5.666
Oct أكتوبر	0.972	0.991	9.681	9.467	13.059	5.179	3.145	7.438	3.099	5.722
Nov نوفمبر	0.972	0.991	9.681	9.467	13.207	5.344	3.273	7.538	3.239	5.788
Dec ديسمبر	0.972	0.991	9.681	9.467	13.283	5.307	3.243	7.367	3.198	5.752
Jan 2008 يناير	0.972	0.991	9.681	9.467	13.328	5.357	3.381	7.170	3.310	5.807
Feb فبراير	0.972	0.991	9.681	9.467	13.316	5.368	3.397	7.148	3.336	5.862
Mar مارس	0.972	0.991	9.681	9.467	13.541	5.651	3.611	7.293	3.599	5.986
Apr أبريل	0.972	0.991	9.681	9.467	13.696	5.731	3.550	7.211	3.593	5.911
May مايو	0.972	0.991	9.681	9.467	13.679	5.643	3.495	7.154	3.487	5.899
Jun يونيو	0.972	0.991	9.681	9.467	13.717	5.778	3.405	7.149	3.506	5.946

farming, increasing food self-sufficiency and conservation, and further development of existing agricultural resources. Recent policy measures emphasize, in particular, rehabilitation of abandoned farms, introduction of modern irrigation and drainage systems in all productive farms, promotion of the use of treated water, and implementation of legislation related to water use and management. The relatively high capital cost and the scarcity of water for irrigation constitute the main constraints to agricultural development in Qatar.[11] Vertical integration links in food processing are also being encouraged.

14. Agricultural production is being promoted through the free provision of a number of inputs, such as pesticides, natural fertilizers, veterinary services, and vegetable seeds. Subsidies are granted for land preparation. The Government also provides basic infrastructure, such as drainage and irrigation facilities. In the Uruguay Round, Qatar did not make any commitments to cut financial support to agricultural producers; the authorities estimated that their support – as measured by the Aggregate Measurement of Support (AMS) – was below the *de minimis* of 10%, for which no reduction commitments were required. Qatar has not made any notification to the WTO Committee on Agriculture regarding support measures to its agricultural producers.

15. Qatar notified the WTO Committee on Agriculture that it provided no export subsidies in 1996, 1997 and 1998.[12] No further notifications have been received from Qatar.

16. According to the authorities, the marketing of all agricultural products in Qatar is free from state intervention, including price controls. Food security is mainly promoted through importation.

17. The simple average applied MFN tariff for agricultural products (Major Division 1 of ISIC Revision 2) is 3.3% (Chapter III(2)(iv)(b)). Imports of agricultural products, such as wheat, flour, rice, feed grains, and powdered milk are duty free. Tobacco and tobacco products are subject to the highest applied tariff rate of 100%, and generally carry the highest bound tariff rate of 200%.

(3) MINING AND ENERGY

(i) Overview

18. Mining and quarrying, basically petroleum and natural gas, accounted for almost 60% of Qatar's GDP in 2003, 70% of government revenues, and about 90% of total merchandise export earnings.[13] Employment in extraction of crude oil and natural gas, as well as in the manufacture of refined petroleum products represented 11.25% of Qatar's total labour force. In 2001, natural gas accounted for 81.6% of Qatar's total primary energy supply, while oil contributed the remaining 18.4%.[14]

19. In 2004, Qatar's "expected" petroleum reserves amounted to 27,016 million barrels (mb) (3,917 mb of crude oil and 23,099 mb of condensate) (Table IV.2). Furthermore, Qatar continues to

[11] Qatar has practically no permanent surface water. Direct and indirect recharge of groundwater from rainwater is the main natural water resources. The two main aquifers underlying Qatar are recharged in Saudi Arabia. A large but declining number of people outside Doha still rely on water supply by tankers. Water distribution networks in Qatar total 33,000 km; 311.7 km are expected to be added soon (FAO, 2003b).

[12] WTO documents G/AG/N/QAT/1, 3 April 1998; G/AG/N/QAT/2, 22 March 1999; and G/AG/N/QAT/3, 12 August 1999, for 1996, 1997 and 1998, respectively.

[13] Planning Council (2003).

[14] International Energy Agency (2001).

pursue an intensive exploration drive to enlarge its reserve base, so as to expand the lifetime of its petroleum reserves and increase its production capacity.[15]

Table IV.2
Qatar's "expected" reserves of crude and condensate, 2000-04[a]
(Million barrels)

	2000	2001	2002	2003	2004
Qatar Petroleum operated fields					
Bul Hanine	429	401	484	515	491
Maydan Mahzam	256	238	278	263	251
Dukhan	2,040	1,916	1,793	1,680	1,565
Total QP oilfields	2,726	2,555	2,555	2,458	2,308
North Field	8,357	12,300	12,290	23,000	22,725
Total QP operated fields	11,083	14,855	14,845	25,458	25,033
Non-Qatar Petroleum operated fields					
EPSA/DPSA	1,966	1,962	1,948	2,100	1,952
50% of El Bunduq	54	50	43	38	32
Total non-QP operated fields	2,020	2,012	1,991	2,138	1,983
Total all fields	**13,103**	**16,867**	**16,836**	**27,596**	**27,016**

a As at 1 January.

Source: Information provided by the Qatari authorities.

20. Qatar's proven reserves of natural gas, estimated at 25,783 billion cubic meters, are the second largest in the world (14.3% of the globe's total proven reserves).[16] Qatar also aims to become the largest liquefied natural gas (LNG) producer in the world by 2010[17], and is building the world's largest gas-to-liquids (GTL) plant. Furthermore, the development of gas-intensive industries, such as petrochemicals, fertilizers, and refining, is a key component of Qatar's overall diversification strategy.

21. Qatar's exhaustible natural resources, including petroleum and natural gas wealth are 100% owned by the State, as is Qatar Petroleum (QP), pursuant to Law No. 10 of 1974.[18] QP is the exclusive agent for the Government in the conduct of petroleum and natural gas operations, either directly, or in cooperation with foreign corporations through production-sharing agreements (PSAs) or development and fiscal agreements (DFAs).[19] Provisions of the agreements are aimed at increasing investment inflows, as well as technology and expertise transfer.

22. Crude oil exploration and production activities may be carried out under PSAs, which allow foreign contractors to hold up to 100% "working interest".[20] Such PSAs are also referred to as development and production sharing agreements (DPSAs) or exploration and production sharing agreements (EPSAs).[21] Natural gas development activities are conducted either by QP, or under DPSA contracts that allow foreign companies to hold up to 100% working interest, or under a DFA's royalty and tax regime.

[15] According to the authorities, Qatar's current petroleum depletion rate (ratio of reserves to production) is 7%, and the objective is to increase it to 10%.

[16] OPEC (2003).

[17] Qatar is implementing a plan to establish a liquefaction capacity of 70 million tons per year.

[18] Qatar Petroleum was previously known as Qatar General Petroleum Corporation (QGPC).

[19] Each agreement must be approved by an Emiri Decree.

[20] The term "working interest" is used in PSAs to indicate that the agreement does not imply the establishment of a joint-venture between QP and the related foreign company to run projects.

[21] Under DPSAs, the foreign company is required to conduct reappraisal of an already discovered oil structure and develop it further, while under EPSAs, foreign firms are granted the right to explore for oil in their exploration area and, if oil is discovered, develop the field.

23. QP has signed several DPSA, EPSA, and DFA contracts with foreign companies, such as ExxonMobil of the United States, Total/Fina/Elf of France, and Mitsui of Japan (Table IV.3). Table IV.4 shows QP's operating activities, as well as its joint-ventures with other Arab countries, and projects under construction. It is estimated that during 1995-03, US$35 billion of foreign investment inflows have been allocated to Qatar's petroleum and natural gas industries.[22]

Table IV.3
Contracts between QP and foreign companies

Production sharing field	Signature date	Objective/Status	Foreign companies
DPSA			
Qatargas – JV	29 May 1991	Qatargas upstream LNG project	Total Exxon Mobil Mitsui Marubeni
Idd El Shargi North Dome	24 July 1994	Oil development/production	Occidental
Block 1 SE Al-Karkara	15 July 1997	Oil development	United Petroleum Development Co. Ltd. Cosmo Oil Co. Ltd. Nissho Iwai Corporation
Idd El Shargi South Dome	10 December 1997	Oil development/production	Occidental
North Field	2 May 2000	North Field Gas Development	Exxon Mobil
Dolphin	23 December 2001	North Field Gas Development	Offset Investment Co. Ltd. Total Occidental
EPSA			
Block 12 – Al-Rayyan	10 April 1976	Oil development/production	Anadarko
Block 13		Exploration	OMV
Block 6 – Al-Khalij	7 January 1989	Oil development/production	Total
Block 5 – Al-Shaheen	22 June 1992	Oil development/production	Maersk
Block 11	16 July 1997	Exploration	Wintershall Anadarko
Block 2	24 March 1998	Exploration	Encana Chevron Svenska
Block 10	17 November 2002	Exploration	Talisman
Block 4	18 May 2004	Exploration	Anadarko
DFA			
Rasgas I – JV	20 December 1992	Integrated LNG project	Exxon Mobil
Rasgas I – JV	2 July 2002	Integrated LNG project	Exxon Mobil
Rasgas II – JV	27 March 2001	Integrated LNG project	Exxon Mobil
Qatargas – JV	31 January 1993	Qatargas downstream LNG project	Total Exxon Mobil Mitsui Marubeni

Note: JV = Joint venture.

Source: Information provided by the Qatari authorities.

Table IV.4
QP's activities, October 2004

Company	Activity/location	Ownership	Percentage	Capacity*
Qatar Chemical Company Ltd. (Q-Chem I)	Petrochemicals	Qatar Petroleum Chevron Phillips Chemical	51 49	Ethylene: 500,000 HDPE: 453,500 Hexene-1: 47,000 Sulphur: 36,000
Qatar Petrochemical Company Ltd. (QAPCO)	Petrochemicals	Industries Qatar Atofina	80 20	Ethylene: 525,000 LDPE: 360,000 Sulphur: 70,000

Table IV.4 (cont'd)

[22] Economist Intelligence Unit (2004).

Company	Activity/location	Ownership	Percentage	Capacity[a]
Qatar Fuel Activities Company Ltd. (QAFAC)	Petrochemicals	Industries Qatar Chinese Petroleum Corp. Lee Chang Young Corp. International Octane Ltd.	50 20 15 15	Methanol: 825,000 MTBE: 610,000
Qatar Vinyl Company Ltd (QVC)	Petrochemicals	Qatar Petroleum QAPCO Norsk Hydro Atofina	25.5 31.9 29.7 12.9	EDC: 175,000 VCM: 220,000 Caustic Soda: 295,000
Qatar Fertilizer Company Ltd. (QAFCO)	Fertilizers	Industries Qatar Yara International	75 25	Ammonia: 1.4 million Urea: 1.8 million
Qatar Liquefied Gas Company Ltd (Qatargas)[b]	LNG	Qatar Petroleum Total Qatar Oil and Gas SA ExxonMobil Qatargas Inc. Marubeni Corp. Mitsui & Co Ltd	65 10 10 7.5 7.5	LNG: 7.7 million
Ras Laffan Liquefied Natural Gas Company Limited[c]	LNG	Qatar Petroleum ExxonMobil RasGas Inc. Itochu Corp. LNG Japan Corp. Kogas	63 25 4 3 5	LNG: 6.6 million
Ras Laffan Liquefied Natural Gas Company Limited (II) (Train 3)	LNG	Qatar Petroleum ExxonMobil RasGas Inc.	70 30	LNG: 7.7 million
Qatar Fuel Company (WOQOD)	Fuel distribution	Qatar Petroleum	70	All petroleum products
Arab joint-ventures				
Arab Petroleum Investment Corporation (APICORP)	Finance/Saudi Arabia	Qatar Petroleum	10	
Arab Petroleum Services Company (APSC)	Libya	Qatar Petroleum	10	
Arab Petroleum Pipelines Company (SUMED)	Pipelines/Egypt	Qatar Petroleum	5	
Arab Ship Building and Repair Yard Company	Shipbuilding, repair/Bahrain	Qatar Petroleum	18.8	
Arab Maritime Petroleum Transport Company	Kuwait	Qatar Petroleum	14.8	
Projects under construction				
Ras Laffan Liquefied Natural Gas Company Limited (II) (Trains 4 and 5)	LNG	Qatar Petroleum ExxonMobil RasGas Inc.	70 30	LNG: 9.4 million
Ras Laffan Power Project	Independent power and water project	Qatar Petroleum AES Corp Qatar Electricity & Water Co. Gulf Investment Company	10 55 25 10	Power: 750 megawatts Water: 40 million gallons/day
ORYX GTL	GTL	Qatar Petroleum	51	Diesel: 24,000 barrels/day Naphtha: 8,000 barrels/day LPG: 1,000 barrels/day
Qatar Liquefied Gas Company	LNG	Qatar Petroleum	70	LNG: 15.6 million

a Capacities are variously nominal, current or expected. Expressed in tons per year, unless otherwise indicated.
b Refers to ownership of the downstream project only.
c Percent ownership reflects income distribution percentages.

Source: Information provided by the Qatari authorities.

24. The Council of Ministers, headed by the Prime Minister, determines mining and energy policies and enacts all the relevant legislation. The Ministry of Energy and Industry (MEI) is the implementing authority, and represents the State in matters relating to petroleum and natural gas in regional and international organizations, particularly the Organization of the Petroleum Exporting

Countries (OPEC), of which Qatar has been a member since 1961.[23] QP is responsible for all oil and gas industry processes, including exploration and drilling for oil, natural gas, and other hydrocarbon substances[24], as well as for production, refining, transport, storage, trading, distribution, sale and export of such substances and of any of their derivatives and by-products.[25]

25. The main policy goals regarding mining and quarrying in Qatar include: self-sufficiency in fossil fuels; promotion of economic growth and employment of Qatari nationals; contribution to the stability of the world oil market; diversification of the economic base (e.g. petrochemical and fertilizer industries); strengthening the participation of the private sector through privatization; and protection of the environment through, *inter alia*, increased consumption of natural gas.

26. Qatar maintains price controls on petroleum products and natural gas. Prices are differentiated according to final use. Prices are suggested by QP, subject to approval by the Council of Ministers. According to the authorities, there are no measures to promote local processing of petroleum products before their exportation.

27. Qatar's royalty system on mineral products (12.5% on petroleum and 20% on natural gas) has been designed to enable QP to recover the government intake from operators, through levies (QP pays the Government on behalf of petroleum operators), and dividends (the Government owns QP and all its revenue goes back to the Treasury).

28. All mining and quarrying products are subject to a 5% customs tariff. Imports of electricity also carry a 5% tariff rate.

(ii) Petroleum

29. Qatar's petroleum is produced through QP's operated fields (i.e. the onshore Dukhan Field[26], and two offshore fields in Bul Hanine and Maydan Mahzam[27]), as well as through fields operated under PSAs, in which QP has a share (Table IV.5).

Table IV.5
Qatar's average daily production of crude oil and field condensate, 1999-03
(Thousand barrels per day)

	1999	2000	2001	2002	2003
Qatar Petroleum operated fields					
Dukhan	318	339	332	309	323
Bul Hanine	71	77	72	59	68
Maydan Mahzam	45	52	56	41	39
Total	434	468	460	409	428

Table IV.5 (cont'd)

[23] OPEC comprises 11 members: Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela.

[24] In 1988, the Government entrusted QP with the responsibility for supervising hydrocarbon exploration in Qatar.

[25] QP's annual budget is approved by the Ministry of Finance, the Council of Ministers, and by the Emir. In November 2004, the Minister of Energy and Industry was also the Second Deputy Prime Minister, and Chairman of Qatar Petroleum.

[26] Dukhan is the point of origin for the discovery of oil in Qatar; production started there in 1949. It produces from four major hydrocarbon reservoirs, three of which produce oil and the fourth produces non-associated gas. The field is approximately 70 km long and 25 km wide. Dukhan has a crude oil production capacity of approximately 320,000 b/d, excluding condensate.

[27] Bul Hanine became operational in 1973, and Maydan Mahzam in 1965.

	1999	2000	2001	2002	2003
PSA contractor operated fields					
Total	252	251	259	315	334
Of which Qatar Petroleum's share	99	137	156	185	201
Total daily production	686	719	718	724	764
Total Qatar Petroleum share	533	605	615	594	631

Source: Information provided by the Qatari authorities.

30. Qatar's crude oil production and reserves have continued to climb during the last few years (Table IV.6), owing in part to increased international participation through PSAs.[28]

Table IV.6
Crude oil production, exports, reserves, and price, 1995-03

	1995	1996	1997	1998	1999	2000	2001	2002	2003
OPEC quota[a] ('000 b/d)	378.0	378.0	378.0	640.0	593.0	692.0	601.0	562.0	635.0
Production ('000 b/d)	389.8	393.1	405.1	618.1	608.5	648.2	632.9	568.9	676.0
Exports ('000 b/d)	333.0	367.0	465.0	572.4	580.5	617.6	605.5	580.8	540.7
Reserves (million barrels)	3,700	3,700	3,700	3,700	3,700	13,157	15,207	15,207	15,287
Price (US$/b)[b]	16.86	20.29	18.68	12.28	17.47	27.60	23.12	24.36	28.10

a End of year.
b OPEC spot reference basket price.

Source: OPEC (2003), *Annual Statistical Bulletin 2003*, Vienna.

31. As member of OPEC, Qatar is bound by the organization's crude oil production ceiling allocations. However, since 2001, the world's demand for oil has exceeded OPEC's production forecasts, and Qatar, together with other OPEC members, has overproduced its OPEC quota in order to help stabilize world oil markets (Table IV.6). Qatar's crude oil production quota increased from 635,000 b/d at the end of 2003, to 700,000 b/d as from 1 November 2004 (the smallest amongst OPEC members, or 2.6% of OPEC's total production ceiling[29]).

32. In July 2004, Qatar was producing 804,000 b/d or 2.9% of OPEC's total production[30], an all time high and close to its maximum crude oil production capacity. According to the authorities, Qatar will step up production further if oil prices remain above US$30 per barrel.[31] Nominal world oil prices climbed from US$12.28 per barrel in 1998 to US$28.10 per barrel in 2003, and reached US$43.16 per barrel on 8 August 2004 (a new daily average record), as a result of larger than expected growth in demand, growing political concerns due to the situation in Iraq, loss of Iraqi oil production on several occasions, and hedge fund activity in the oil market.

33. Asian countries are the destination for all of Qatar's crude oil exports. In 2003, 59% of Qatar's total crude oil exports went to Japan, followed by Korea with 15.1%. China; Philippines; Singapore; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Thailand; and India complete the list of importers of Qatar's crude oil.

[28] In 2000, QP accounted for 61% of Qatar's total crude oil production; the remaining 39% came from EPSA/DPSA contracts (Qatar Petroleum, undated).

[29] Excluding Iraq.

[30] Excluding Iraq (OPEC, 2004).

[31] The authorities of Qatar consider that the price of oil should be settled in the range of US$28-30 per barrel. Bound by its technical capabilities and depletion policy, Qatar will produce at levels that can contribute to the stability of world oil markets. The oil price used in this report refers to the OPEC spot reference basket price. It was introduced on 1 January 1987 and is the arithmetic average of seven selected crude oils: Saharan Blend (Algeria); Minas (Indonesia); Bonny Light (Nigeria); Arab Light (Saudi Arabia); Dubai (United Arab Emirates), Tia Juana Light (Venezuela), and Isthmus (Mexico).

34. In order to add value to crude oil production and integrate it with other activities and projects in upstream (extraction of hydrocarbons) and downstream (processing of hydrocarbons) industries, Qatar has been increasing production of refined products such as gasoline, kerosene, and distillates. Qatar's output of refined products went from 59,500 b/d in 1999 to 115,200 b/d in 2003 (Table IV.7). Qatar has the capacity to produce 137,000 b/d.

Table IV.7
Production and consumption of refined products, 1999-03
('000 b/d)

	1999	2000	2001	2002	2003
Total production	**59.5**	**57.8**	**42.1**	**43.1**	**115.2**
Gasoline	14.1	13.5	..	11.0	40.7
Kerosene	9.9	9.0	..	6.7	20.2
Distillates	13.7	13.3	..	11.9	20.2
Residuals	17.9	18.1	..	7.8	7.9
Others	3.8	3.9	..	5.7	26.2
Total consumption	**22.2**	**23.6**	**25.4**	**32.9**	**30.8**
Gasoline	11.0	11.7	12.5	15.8	13.4
Kerosene	3.7	3.9	4.2	6.7	5.9
Distillates	6.5	6.9	7.5	8.8	10.0
Residuals	..	..	..	..	..
Others	1.0	1.1	1.2	1.6	1.4

.. Not available.

Source: OPEC (2003), *Annual Statistical Bulletin*, Vienna.

35. As part of its industrialization plan, Qatar is developing its petrochemicals industry, in which it has a comparative advantage given the country's large gas feedstock; gas accounts for 70% of production costs in petrochemicals. The industry is being developed mainly through joint ventures. The Qatar Petrochemical Company (QAPCO), established by an Emiri Decree in 1974 to utilize the associated ethane gas from petroleum production, is the largest producer of low-density polyethylene in the Middle East, in addition to producing ethylene and sulphura.[32] The Qatar Chemical Company (Q-Chem) produces high- and medium-density polyethylene, as well as other associated by-products.[33] In mid-2000, the Qatar Fuel Additives Company (QAFAC) commenced production of methanol and methyl tertiary butyl ether at Mesaieed.[34] Moreover, QATOFIN will be established at Mesaieed for the purpose of developing an ethylene derivative facility.[35] The industrial city of Mesaieed was established in 1996 to accommodate petrochemical and metallurgic plants, and to produce refinery products.[36]

36. Qatar is in the process of restructuring the retailing of petroleum products. The current measures consist in fixing the price for transporting fuels, such as petrol (gasoline) and diesel, through Qatar Fuel Company (WOQOD).[37] QP has granted WOQOD a 15-year exclusive right to distribute all petroleum products in Qatar. After 15 years, the exclusive rights will end, conditional upon assessment.

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[32] QAPCO is a joint venture between Industries Qatar (with a 80% share) and Atofina of France (20% stake). It has important expansion plans to increase its production of ethylene, the basic building block of the petrochemical industry. QAPCO is behind Saudi Basic Industries Corporation in production of ethylene.

[33] Q-Chem is a joint venture between QP (51% share) and Chevron (49%).

[34] QAFAC is owned by Industries Qatar (50% share), Chinese Petroleum Corporation (20%), Lee Chang Yung Chemical Industry Corporation (15%), and International Octane Limited (15%).

[35] QATOFIN will be a shareholding company between QAPCO (63%), Atofina (36%), and QP (1%).

[36] The Mesaieed industrial city, located 45 km south of Doha, has an area of about 43 square kilometres, including a fully serviced port. The total capacity of the refinery at Mesaieed is 137,000 b/d.

[37] WOQOD (fuel in Arabic) is 40% owned by QP and 60% by Qatari investors.

(iii) Natural gas

37. Qatar's natural gas is produced mainly in the North Field, the largest single non-associated gas reservoir in the world.[38] QP is implementing a five-pronged strategy for the exploitation of its vast gas reserves in the North Field: (i) production and export of LNG; (ii) meeting the strong domestic demand for electricity and water; (iii) regional gas sales; (iv) development of export-oriented downstream industries; and (v) conversion of natural gas into gas-to-liquids (GTL).[39] Qatar's reserves of associated and non-associated gas during 2000-04 are shown in Table IV.8.

Table IV.8
Qatar's reserves of associated and non-associated gas, 2000-04
(Trillion standard cubic feet)

	2000	2001	2002	2003	2004
North field	376.8	496.0	495.0	900	892.0
Other fields	16.7	16.3	16.3	14.7	14.4
Total	**393.5**	**512.3**	**511.3**	**914.7**	**906.4**

Source: Information provided by the Qatari authorities.

38. Natural gas production in Qatar has increased considerably over the years: it rose from 13,500 million cubic meters (mcm) in 1995 (equivalent to 4.6% of OPEC's total natural gas production) to 30,800 mcm in 2003 (7.1% of OPEC's production).[40] Qatar also produces natural gas liquids such as condensate, butane, and propane (Table IV.9).

Table IV.9
Production of natural gas liquids, 1997-02

	1997	1998	1999	2000	2001	2002
Condensate	1,371.9	1,497.7	1,444.2	1,341.8	1,459.1	1,313.0
Butane	518.7	545.7	618.3	629.4	659.3	617.9
Propane	708.6	739.2	777.3	790.1	846.0	743.0
Total	**2,599.2**	**2,782.6**	**2,839.8**	**2,761.3**	**2,964.4**	**2,673.0**

Source: Information provided by the Qatari authorities.

39. The discovery of the North Field in 1991 led Qatar to draw up its Strategic Plan for Natural Gas Utilization. The plan resulted in the construction of Ras Laffan Industrial City (RLC), fully operational since 1996, which is one of the largest LNG export facilities in the world.[41] RLC accommodates gas-based industries, including gas liquefaction, processing and export, petrochemicals, and refining of condensate. RLC is run by a management team appointed by QP.

40. RLC is home to Qatargas[42] and Rasgas[43], which supply LNG mainly to Europe and the United States. Qatargas and Rasgas are implementing ambitious expansion plans, such as setting up LNG

[38] Non-associated gas reserves are those not connected with an oil deposit.

[39] QP aims to become the "gas-to-liquids capital of the world". GTL, also known as liquid fuel, is environmentally friendly, and is an effective solution to the problem of routing natural gas over long distances.

[40] OPEC (2003).

[41] Ras Laffan Industrial City, located 80 km north of Doha, covers 106 square kilometres.

[42] Qatargas is owned by QP (65% share), ExxonMobil (10%), Total (10%), Mitsui (7.5%), and Marubeni (7.5%). Qatar Petroleum online information. Available at: http://www.qp.com.qa, *Industrial Cities* [1 September 2004].

[43] The Rasgas companies are: Ras Laffan Liquefied Natural Gas Company Limited, established in 1993 and owned by QP (63% share), ExxonMobil (25%), Koras (5%), Itochu (4%), and LNG Japan (3%); Ras Laffan Liquefied Natural Gas Company Limited II, established in 2001 by QP (70%) and ExxonMobil (30%); and

trains and acquiring LNG tankers. Qatargas and Rasgas aim to become the world's leading suppliers of LNG and condensate.

41. On 29 May 2004, Qatar announced the formation of Qatar Gas Transport Company (Q-Gas) in an effort to involve the private sector in the country's growing gas transportation needs (Chapter III(4)(iii)). Qatargas and Rasgas will lease tankers from Q-Gas, which is expected to acquire 77 vessels by the end of the decade to meet the increasing world demand for Qatar's LNG.[44]

42. Qatar has the project of building a 590-km under-sea pipeline (a long stretch of which will pass through Saudi Arabian waters) to transport its North Field gas to Kuwait, with a view to extending its gas marketing network in the region. According to the 25-year sale-and-purchase agreement signed in January 2002, QP and ExxonMobil will produce the gas, and Kuwait Petroleum Company will build a gas receiving terminal at al-Ahmadi port and pay the price of gas on a c.i.f. basis.[45]

43. ORYX, a joint-venture between QP and South Africa's Sasol Synfuels, is building the region's first, and the world's largest GTL plant (at a cost of US$900 million) located at RLC. It is due to be completed in 2005, with a production capacity of approximately 33,000 b/d: 24,000 b/d of diesel fuel, 8,000 b/d of naphtha, and 1,000 b/d of liquefied petroleum gas (LPG).[46]

(iv) Electricity

44. Qatar is in the process of expanding its electricity network and modifying the distribution management system in order to meet the country's increasing demand. During the summer months, electricity demand goes up to 2,500 megawatts (MW), while Qatar's supply is about 2,710 MW. Some concerns have been expressed about ageing transmission and distribution networks.[47]

45. Electricity in Qatar is generated on the basis of six power plants. Five are owned by Qatar General Electricity and Water Corporation (Kahramaa), which buys the electricity and water from all power plants and distributes it to consumers. Kahramaa is evaluating bids from eight foreign firms for a US$110 million project to modify the electricity distribution management system; implementation of the project is expected to be completed by end 2005. The sixth power plant resulted from the commissioning of Ras Laffan power station, an independent water and power project that went on stream in May 2003 on the basis of a build-own-operate-transfer (BOOT) contract. By 2005, once fully in operation, it is expected to generate 750 MW of electricity and will produce 40 million gallons per day of drinking water.[48]

RasGas Company Limited, established in 2001 by QP (70%) and ExxonMobil (30%). Qatar Petroleum online information. Available at: http://www.qp.com.qa, *Industrial Cities* [1 September 2004].

[44] Each Q-Gas vessel's capacity will range from 200,000-250,000 cubic meters of LNG; Qatargas and Rasgas use ships of 138,000-145,000 cubic meters (Economist Intelligence Unit, 2004).

[45] The initial volume of supply would be 750 million cubic feet per day, which will gradually rise to 1.4 billion cubic feet per day. Bahrain is also expected to be linked with the planned pipeline through a spur (Economist Intelligence Unit, 2004).

[46] In March 2004, QP and Sasol signed a Memorandum of Understanding for the ORYX GTL expansion project to increase production to 100,000 b/d. In addition, QP is negotiating several integrated (upstream and downstream) GTL projects with various leading companies.

[47] Economist Intelligence Unit (2004).

[48] The Ras Laffan power station currently produces 430 MW of electricity and desalinates 40 million gallons of drinking water per day. It is 55% owned by AES Corporation of the United States, 25% by Kahramaa, and 10% each by QP and Kuwait-based Gulf Investment Corporation (Economist Intelligence Unit, 2004).

46. Law No. 10 of 2000 replaced Law No. 6 of 1992 and established Qatar General Electricity and Water Corporation (Kahramaa) as the regulatory authority in the subsector. Kahramaa assumed all obligations held by the Ministry of Electricity and Water (Article 2 of Law No. 10). At the same time, the Ministry of Energy and Industry (MEI) was made responsible for, *inter alia*, proposing general electricity and water planning policies, and issuing licences to build power generation and water desalination stations (Article 4). In addition, the Ministry of Municipal Affairs and Agriculture (MMAA) is now in charge of drafting the technical specifications for buildings and installations as regards heat insulation, electric and water connections, as well as lighting and maintenance of public places and roads (Article 6). The involvement of several public institutions in electricity and water activities could cause inefficient coordination within the subsector.

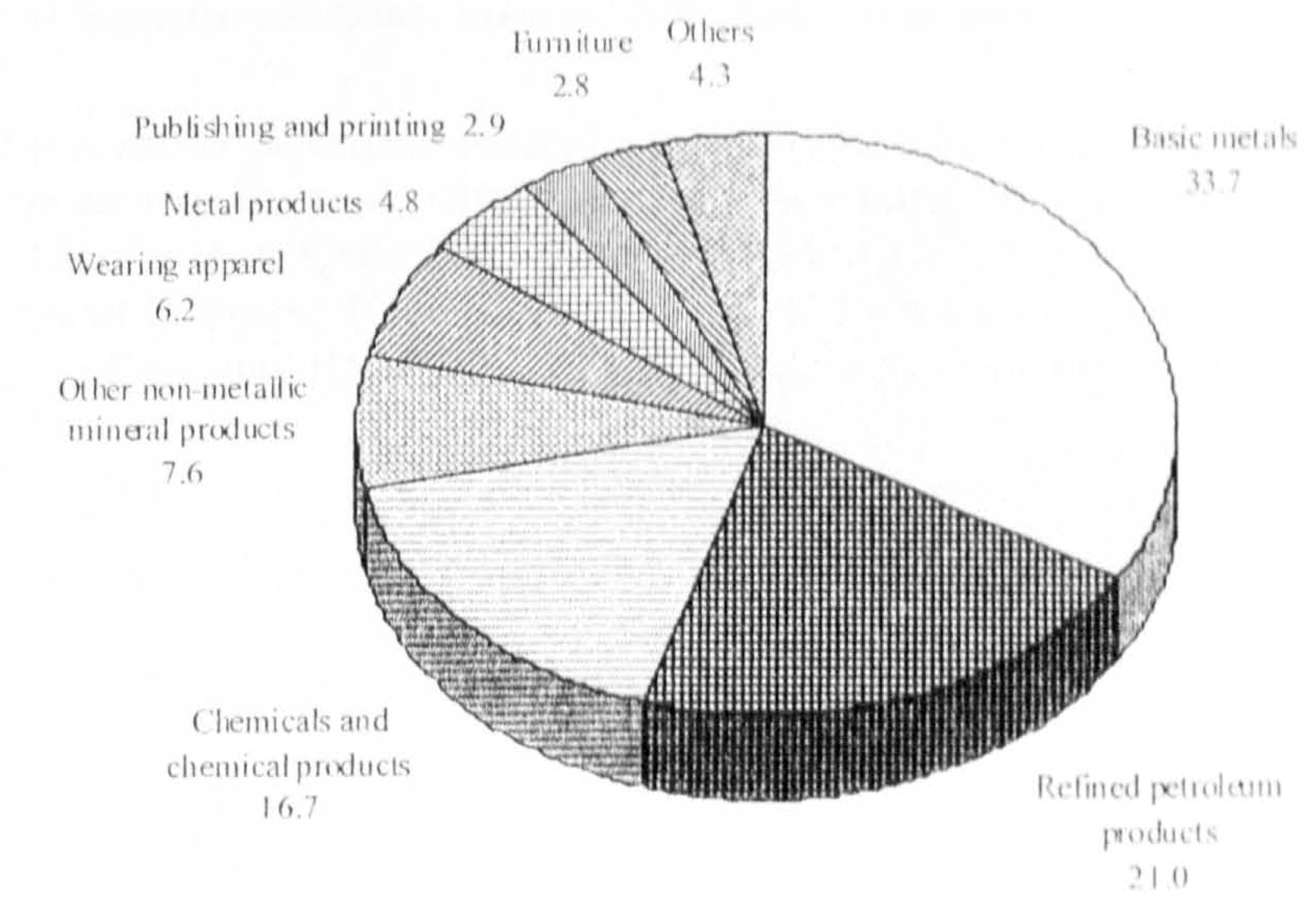
(4) MANUFACTURING

(i) Main features

47. Qatar has a relatively well developed manufacturing sector, based mainly on its comparative advantage in energy-intensive industries, including basic metals (33.7% of value added in manufacturing in 2001), refined petroleum products (21%), and chemical and chemical products (16.7%) (Chart IV.1). Nevertheless, the share of manufacturing in GDP decreased from 13.2% in 1993 to 6.7% in 2003.

Chart IV.1
Value added in manufacturing, 2001

Per cent

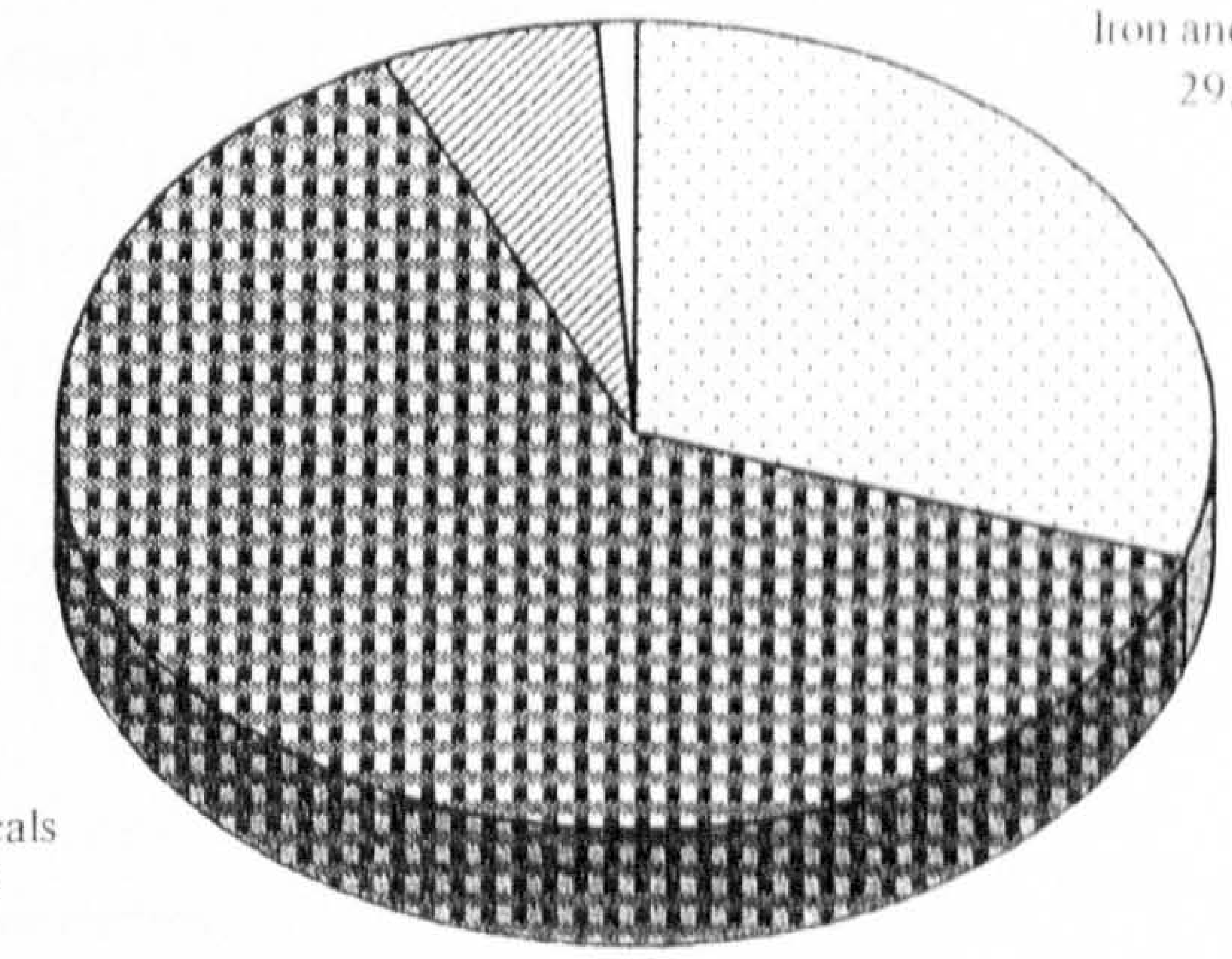


Source: WTO Secretariat calculations, based on data provided by the Qatari authorities.

48. In 2002, manufactured exports accounted for 10.5% of Qatar's total merchandise exports, led by chemicals (62.9% of manufactured exports), iron and steel products (29.9%), and textiles (6.2%) (Chart IV.2). Manufactured products have traditionally dominated Qatar's total imports, accounting for 83.5% of total imports in 2002. Machinery and transport equipment represented 56.2% of Qatar's manufacturing imports in 2002, followed by imports of other consumer goods (11.5%), and other semi-manufactures (10.9%) (Chart IV.3).

Chart IV.2
Exports of manufactures, 2002

Per cent



Total manufactured products: US$839.5 million

Source: WTO Secretariat calculations, based on UNSD, Comtrade database.

49. Despite recent privatizations and joint ventures with foreign companies, the State continues to play a dominant role in manufacturing. The Government of Qatar holds a majority stake in some heavy industries, such as Qatar Steel Company (QASCO)[49], and is an important shareholder of Qatar National Cement Company (QNCC).[50] In addition, Industries of Qatar (IQ) has significant shares in Qatar Fertilizer Company (QAFCO)[51], while QP partially owns Qatar Vinyl Company (QVC).[52]

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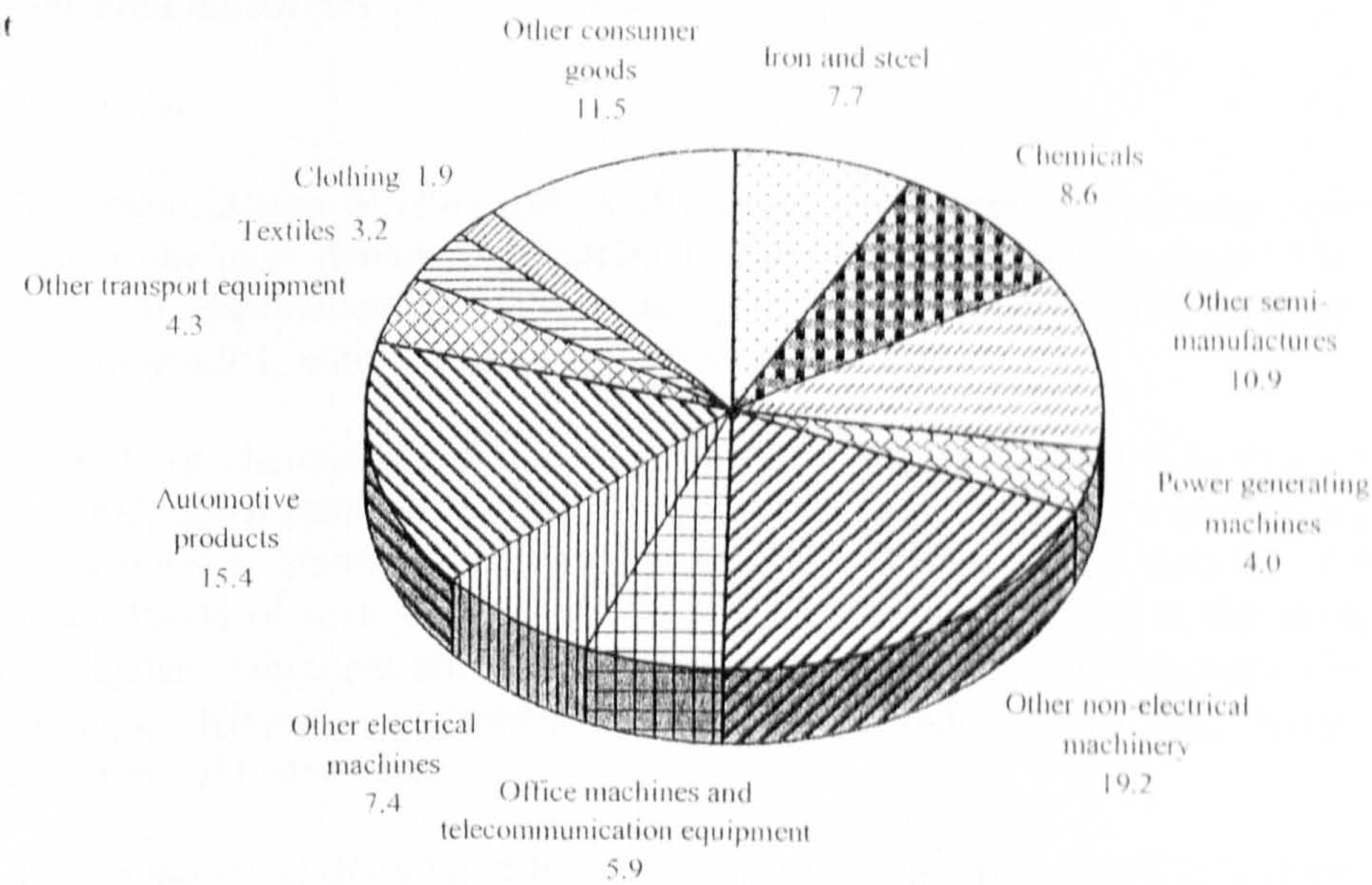
[49] QASCO is owned jointly by the State (70% share) and two Japanese companies: Kobe Steel (20%) and Tokyo Boeki (10%).

[50] QNCC is 43% owned by the State and 57% by Qatari investors.

[51] QAFCO is a joint venture between IQ (75% share) and Yara International (25%).

[52] QVC is owned by QP (25.5% share), QAPCO (31.9%), Norsk Hydro Holland (29.7%), and Atofina (12.9%).

Chart IV.3
Imports of manufactures, 2002



Total manufactured products: US$3,385 million

Source: WTO Secretariat calculations, based on UNSD, Comtrade database.

(ii) Policy framework

50. Qatar's main long-term objectives for the manufacturing sector, include increasing its contribution to GDP to help diversify the economy away from crude oil; developing small and medium-sized enterprises (SMEs); and creating more employment for Qatari nationals. The Council of Ministers, headed by the Prime Minister, determines policies for the manufacturing sector and enacts all the relevant legislation. The Ministry of Energy and Industry is the implementing authority.

51. Quality Qatarization, a programme launched on 1 June 2000 by the MEI, is aimed at increasing the share of "quality, competent" Qatari nationals in the energy and industry sector to 50% by the end of 2005. The programme is not new to the industry, but differs from previous ones in that it contains specific activities (e.g. recruitment, and training and development) in support of company manpower requirements to meet the Qatarization target. Each of the 23 companies taking part in Quality Qatarization regularly monitors, reviews, and updates its respective plan.[53]

52. The manufacturing sector is being promoted partly through investment incentives. The MEI's Department of Industrial Development (DID) offers several investment incentives to companies during pre-investment and construction stages, as well as other incentives for basic industries: exemption from import duties and other levies (e.g. on machinery, equipment, and spare parts); five-year tax-holidays, renewable for another similar period; and customs clearance facilities.

[53] The majority of Qataris taken on are directed to QP's Corportate Training Centre where, as "trainees", they receive core training through a variety of programmes. Qatarization online information. Available at: http://www.qatarization.com.qa, *What is Qatarization* [1 September 2004].

53. Qatar maintains price controls on some manufactured products, such as cement. MFN customs tariffs on manufactured goods average 5.1%, with rates ranging from zero to 100%; the highest rate applies to alcoholic beverages, and tobacco and tobacco products (Chart IV.4).

(iii) Selected industries

(a) Chemicals

54. The manufacture of chemicals and chemical products, particularly ammonia and urea, has become one of the most dynamic industries in Qatar over the last few years. The subsector accounts for about 5% of employment in manufacturing in 2001.[54] MFN tariffs on chemicals and chemical products average 4.9%, with rates ranging from zero to 5%.

55. Exports of chemicals and chemical products represented 6.1% of Qatar's total merchandise exports in 2002, down from 11.4% in 1995. Qatar is among the world's leading exporters of ammonia and urea. Exports of ammonia increased from 285,404 metric tons (mt) in 1995 to 424,883 mt in 2003, while exports of urea went from 892,801 mt to 1,894,245 mt in the same period. The main markets for Qatar's ammonia are India, followed by Denmark; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; and Australia. India, Japan, and Australia are among the leading importers of Qatar's urea.

56. The subsector is dominated by two main joint ventures: QAFCO and QVC, both located in Mesaieed. QAFCO, established by an Emiri Decree in 1969, is the only fertilizer producer in Qatar and the largest single fertilizer producer in the Middle East. QAFCO is also the largest single producer of ammonia and urea in the world.[55] QVC, established by an Emiri Decree in December 1997 as a limited Qatari shareholding company, produces ethylene dichloride, vinyl chloride monomer, and caustic soda.

57. The chemicals and chemical products industries do not enjoy any specific incentives. However, they are major beneficiaries of the incentives provided to companies: exemption from import duties and other levies, five-year tax-holidays (renewable), and customs clearance facilities.

(b) Iron and steel

58. As part of its industrialization plan, the development of Qatar's iron and steel subsector is a key objective. The industry generates an annual production of 1.2 million tons of molten steel, and a rolling mill capacity of 740,000 tons per year. The industry's total workforce is about 1,250 or around 4% of employment in the manufacturing sector. Tariff rates on iron and steel products range from 5% to 20% on iron (from 10mm to 32mm).

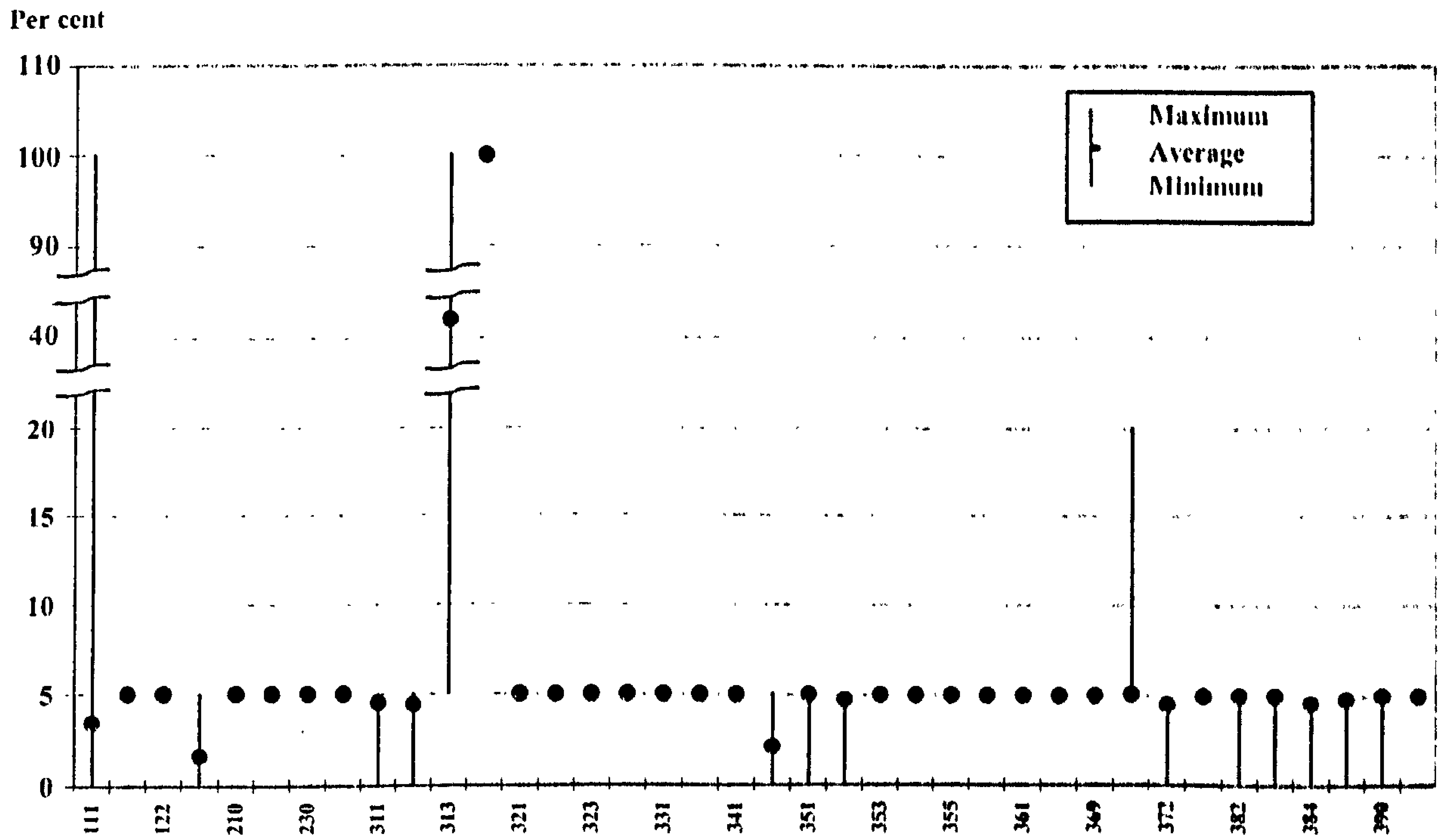
59. Exports of iron and steel accounted for 2.9% of Qatar's total merchandise exports in 2002 (down from 4.6% in 1995). Qatar's proximity to the other GCC countries enables it to supply a sizeable portion of the regions' requirements, in addition to satisfying its own domestic needs.

60. The subsector is dominated by a single joint venture, QASCO, which was the first integrated steel plant in the Arabian Gulf. It was established by an Emiri Decree on 14 October 1974, although production began in 1979. QASCO produces steel billets, plain bars, and deformed bars. The Government grants incentives to QASCO, including exemption of tariff duties on machinery, equipment, and spare parts.

[54] Planning Council (2003).

[55] In 2003, QAFCO produced about 1.4 million tonnes of ammonia and 1.8 million tonnes of urea.

Chart IV.4
Qatar's applied tariff by ISIC classsification, 2004



International Standard Industrial Classification, Revision 2

	Description
111	Agricultural and livestock production
121	Forestry
122	Logging
130	Fishing
210	Coal mining
220	Crude petroleum and natural gas production
230	Metal ore mining
390	Other mining
311	Food production
312	Other food products and animal feeds
313	Beverages
314	Tobacco manufacturing
321	Textiles
322	Manufacture of wearing apparel, except footwear
323	Leather products, except footwear and wearing apparel
324	Footwear, except vulcanized rubber or plastic footwear
331	Wood and wood products, except furniture
332	Manufacture of furniture and fixtures, except primarily of metal
341	Paper and paper products
342	Printing, publishing and allied industries

	Description
351	Industrial chemicals
352	Other chemicals, including pharmaceutical
353	Petroleum refineries
354	Manufacture of miscellaneous petroleum and coal products
355	Manufacture of rubber products n.e.s.
356	Manufacture of plastic products n.e.s.
361	Pottery, china and earthenware
362	Manufacture of glass and glass products
369	Other non-metallic mineral products
371	Iron and steel basic industries
372	Non-ferrous metal basic industries
381	Fabricated metal products, except machinery and equipment
382	Non-electrical machinery including computers
383	Electrical machinery apparatus, appliances and supplies
384	Transport equipment
385	Professional and scientific equipment
390	Other manufacturing industries
410	Electrical energy

Source: WTO Secretariat calculations, based on data provided by the Qatari authorities.

(c) Cement

61. The cement industry has been one of the biggest beneficiaries of Qatar's recent economic dynamism and consequent boom in construction.[56] However, the pace of construction has turned the country from an exporter of cement into a net importer. Domestic production of cement amounts to 5,500 tons per day (t/d), while the demand has surged to 9,000 t/d. In early 2003, Qatar started importing cement, from e.g. Saudi Arabia and India, to overcome shortages and avoid slowing work on a number of building projects. Tariff rates on cement average 5%.

62. QNCC and Al Jabor Cement Company are the only two local producers of cement. QNCC was established in July 1965 and has 718 employees. It currently produces around 3,200 t/d of cement but is expected to produce 4,000 t/d more, once a new plant is completed in 2006. Al Jabort Cement Company, a private Qatari company, produces about 500 t/d of cement.[57]

63. The Government grants incentives to QNCC and Al Jabort Cement Company, including exemption of tariff duties on machinery, equipment, and spare parts.

(5) SERVICES

(i) Main features

64. In 2003, services accounted for 30.9% of Qatar's GDP (down from 52.1% in 1993) and for 65% of total employment.[58] The main components are Government services (12.6% of total GDP, down significantly from its 29.2% share in 1993), followed by real estate, financial and business services (7.5%); trade, restaurants and hotels (5.3%); transport and communications services (3.3%); and social and personal services (2.2%).[59] Qatar is a net importer of services; during 1999-03, Qatar's services trade deficit averaged US$1,194.2 per year (Chapter I(3)(i)).

65. Services is a crucial component of Qatar's overall policy of economic diversification. The Government is promoting the development of the sector. Private sector participation is being encouraged by removing obstacles to foreign investment under the new Investment Law. Nevertheless, foreign investment is still not allowed in certain services subsectors, such as banking, insurance, and commercial representation (Chapter II(5)).

66. Several state-owned companies in Qatar dominate services activities, and still operate under monopoly, or hold exclusive rights in some branches of the sector. These include Qatar Telecom (Q-Tel), Qatar Postal Corporation (Q-Post), and Qatar Airways (QA). These companies are not scheduled for privatization.

67. Under the General Agreement on Trade in Services, Qatar scheduled commitments in six main services categories: business services, communication services, construction and related engineering services, environmental services, financial services, and tourism and travel-related services (Table AIV.1).[60] Qatar does not maintain MFN exemptions under Article II of the GATS. It did not participate in the GATS Fourth and Fifth Protocols on basic telecommunications and financial

[56] According to a study by the Cairo-based Arab Union of Cement Producers, cement consumption in Qatar grew by about 17% in 2002 and 20% in 2003.

[57] The company was established in 1978 under the name of Al Shula Trading Company; the name changed to Al Jabor Cement Company in 1990.

[58] Qatar Chamber of Commerce and Industry (2004).

[59] Planning Council (2003).

[60] WTO document S/DCS/W/QAT, 24 January 2003.

services, respectively. Except for entry and temporary stay of managers, specialists, and skilled technicians, Qatar made no commitments on the movement of natural persons, although it benefits from the presence of a significant foreign working population, estimated at 70% of the labour force.[61] Presence of foreign natural persons as self-employers is not allowed. Qatar has yet to table its initial conditional offer in the ongoing services negotiations.

(ii) Financial services

(a) Banking

68. The banking subsector in Qatar comprises 15 commercial banks: eight are Qatari-owned (i.e. five commercial banks[62], two Islamic banks[63], and the specialized, wholly state-owned, Qatar Industrial Development Bank (QIDB)); two Arab banks[64]; and five foreign banks.[65] In 2001, 3,449 persons were engaged in banking activities.[66] In 2002, total assets of foreign banks represented 11.8% of total assets in the subsector. Banking activities are highly concentrated, with the three largest banks (QNB, Doha Bank, and the Commercial Bank of Qatar) controlling 65.7% of total assets, 63.7% of loans advances, and 64% of customer deposits at the end of 2000.[67] Moreover, approximately half of commercial bank credit has generally been directed to the public sector.[68]

69. The authorities have recently been implementing reforms of the banking legislative framework in order to bring prudential regulation and bank supervision up to the highest internationally accepted standards. The main reforms adopted include increasing the capital adequacy ratio to 10% in 2001 (up from 8%), and simplifying reserve requirements by setting unremunerated cash reserves of 2.75% of total deposits (including foreign currency) instead of 19% of total demand deposits previously in effect.[69] In addition, Qatar has drafted two key laws: a new Qatar Central Bank (QCB) Law, and an Anti-Money-Laundering Law. The new QCB Law is to replace Law No. 15 of 1993, and is aimed at further strengthening the independence of the QCB, and enhancing its banking supervision role, while the Anti-Money-Laundering Law (No. 28 of 2002, amended by Decree Law No. 21 of 2003), includes anti-terrorism financing.

[61] Housing, social programmes, and some aspects of free health care are limited to Qatari citizens. WTO document S/DCS/W/QAT, 24 January 2003. Qatar enacted a new Labour Law in 2004 (No. 14 of 2004).

[62] These are (year of establishment in parentheses): Qatar National Bank (1964), Doha Bank (1978), Commercial Bank of Qatar (1975), Al-Ahli Bank of Qatar (1984), and Grindlays Qatar Bank (2000).

[63] The Islamic banks in Qatar are (year of establishment in parentheses): Qatar Islamic Bank (1982), and Qatar International Islamic Bank (1990).

[64] The Arab banks are: Arab Bank (1958), and Mashreq Bank (1971).

[65] Non-Arab foreign banks operating in Qatar are: Banque Paribas (1973), HSBC (1954), Standard Chartered Bank (1950), United Bank Limited (1970), and Bank Saderat Iran (1970).

[66] Planning Council (2003).

[67] QNB is half owned by the state and half by Qatari nationals. At the end of 2000, QNB accounted for almost half of total banking assets, loans and advances, and customer profits, in addition to handling most of the state banking operations (IMF, 2002b).

[68] In Qatar, the Government has extensive financial connections with public enterprises, most notably with QP, which blurs the distinction between the allocation of credit to the Government and other public sector institutions. Lending to the State represents, by far, the largest exposure of the banking subsector in Qatar (IMF, 2002b).

[69] IMF (2002b).

70. The banking subsector in Qatar is supervised and regulated by QCB, which, *inter alia*, requires that local banks be audited by a external auditor each year[70], monitors the exposure of bank board members, and limits the lending for a bank to any single project to a maximum of 20% of the bank's capital. Local bank participation in the financing of Qatar's large infrastructure and industrial projects has been rather limited, mainly because of their relatively low capital bases. An exception has been QNB, which has participated in some of the high profile syndications. Since 2001, QCB has restricted real estate financing by a commercial bank to a maximum of 15% of the deposits received by it, or 150% of the bank's capital. No other activities in Qatar are subject to similar credit restrictions.

71. Banks in Qatar may trade in foreign exchange markets for their own account or for the accounts of their customers. Each bank must draw instructions from its board of directors (or the head office in the case of a branch of a foreign bank) on the limit of foreign exchange trade, as well as on the open foreign exchange spot and forward positions, in the form of a percentage of equity; these limits must be approved by QCB.[71]

72. Despite Qatar's new Investment Law, foreign investment is still not allowed in banking, and trading in banking and insurance shares is restricted to Qatari nationals (Chapter II(5)). Foreign banks can operate in Qatar only by establishing branches and upon prior approval by the QCB. Under the GATS, Qatar has frozen the number of branches of foreign banking institutions at the level existing in March 1995 (8 branches).[72] The main licensing requirements for foreign banks are: licence application fee of QR20,000; approval of the regulatory authorities in the country of the parent foreign bank; minimum capital of QR350 million for the parent foreign bank; at least ten years of previous activity of the parent bank; audited balance sheet for the last three years for the foreign bank applicant; and the parent bank must submit a banking guarantee to cover any capital loss or liquidity shortage in its branch in Qatar. According to the authorities, branches of foreign banks receive the same treatment as branches of local banks.

(b) Securities

73. Based on Law No. 14 of 1995, the Doha Securities Market (DSM) was officially opened on 26 May 1997. It has a central registry, since August 1998, and electronic trading was launched on 11 March 2002. There are 30 companies listed (up from 17 when the DSM started), including companies in industry, banking, insurance, and other services.[73] However, three companies, Industries of Qatar (IQ), Q-Tel, and QNB, accounted for 30.4%, 26% and 18.5%, respectively, of DSM's market capitalization at the end of June 2003.[74] There are about 170,000 investors registered in the DSM; 96% are Qatari, and the rest are GCC citizens and expatriates.[75]

74. In parallel with Qatar's economic growth, the DSM has performed very strongly over the last few years, with the all-share index increasing by 37.2% in 2001, 37.3% in 2002, and 69.8% in 2003.

[70] Asset quality problems prompted the QCB in September 2000 to request an extraordinary audit for all the banks, and to strictly enforce non-performing loan classification criteria and provisioning requirements (IMF, 2002b).

[71] Limits also apply to the maximum maturities of forward and future contracts, the maximum allowable loss for each transaction or open position, and the total loss allowed during a month and year.

[72] WTO document S/DCS/W/QAT, 24 January 2003.

[73] In order to qualify for listing on the DSM, a company must have at least 100 shareholders and a minimum share capital of QR 10 million, at least 50% of which must be fully paid up. Listed companies must publish audited financial results annually and report results semi-annually (IMF, 2002b).

[74] QNB (2003).

[75] Economist Intelligence Unit (2004).

The rise in the index has been accompanied by a similar surge in market capitalization and the volume of trading. Among the factors driving the boom in the DSM are the movement of funds from banks into the stock market, encouraged by a series of interest rate cuts by the QCB since 2001, and good performance by key listed companies; they rewarded their shareholders with increased dividends.

75. The securities subsector in Qatar is supervised and regulated by QCB in terms of banking affairs, and by MEC regarding commercial registration.

76. Qatar has taken steps to improve its securities legislative framework. On 19 August 2003, MEC issued a new internal regulation for the securities market, aiming to, *inter alia*: conform with international standards in terms of transparency, disclosure, and diversification; improve the standards for granting licences to companies wishing to operate in the securities market; and prevent internal dealing amongst chairmen, directors, and managers of the companies registered in the DSM.[76]

77. Currently, only Qatari nationals enjoy the right to trade in all firms listed on the DSM. GCC nationals are allowed to trade in non-banking and non-insurance shares, but their holdings cannot exceed 25% of the capital of a listed company. Foreign investors have access to the stocks of only two firms (Q-Tel and Al-Salam International Investment Company). However, Law No. 25 of 2002 on mutual funds was enacted on 24 August 2002, allowing foreign investors to trade in Qatari shares through mutual funds. These funds buy and sell Qatari shares on behalf of expatriates and non-resident foreigners.[77]

(c) Insurance

78. Qatar's insurance market consists of ten insurance and re-insurance companies: five are Qatari (all listed in the DSM)[78], two are from Lebanon[79], and one each from Egypt, United Kingdom, and the United States.[80] In 2001, 430 persons were engaged in the subsector. The total number of insurance policies issued in Qatar increased from 204,182 in 1997 to 252,659 in 2002 (85.6% were car insurance), while the value of written premiums went from QR 529,672 to QR 691,460.[81]

79. The market is dominated by a few large companies: in 2002, Qatar Insurance Company (QIC) had over 50% of Qatari premium income[82]; Qatar Insurance and Re-Insurance Company, the second largest, accounted for about 35% of the Qatari market; and Alkhaleej Insurance Company had 15% of the market.[83]

80. The insurance subsector in Qatar is supervised and regulated by QCB in terms of banking affairs, and by MEC regarding commercial registration. The minimum capital required is QR 10 million.

[76] DSM (2003).

[77] For expatriates, the mutual funds law opens up the possibility to invest in Qatar's development, while the DSM is expected to benefit from a greater inflow of funds and a wider investor base.

[78] These are (year of establishment in parentheses): Qatar Insurance Company (1964), Qatar General Insurance and Re-Insurance Company (1978), Al-Khaleej Insurance Company (1978), Qatar Islamic Insurance Company (1993), and Doha Insurance Company (1999).

[79] Arabian Insurance Company (1966), and Lebanon-Suisse Insurance Company (1966).

[80] The National Insurance Company of Egypt (1969), American Insurance Company (1963), and Atlas Insurance Company (1966).

[81] Planning Council (2003).

[82] QIC has four offices in Qatar, one each in Dubai, Abu Dhabi, and Saudi Arabia, and a representative office in Malta. It is now seeking to extend its brand across the region and become a GCC insurance company.

[83] QNB (2003).

81. Foreign investment is still not allowed in insurance (Chapter II(5)). Foreign insurance firms can operate in Qatar only by establishing branches and upon prior approval by the QCB. Under the GATS, Qatar has frozen the number of branches of foreign insurance suppliers at the level existing in March 1995 (five firms).[84]

(iii) Telecommunications and postal services

82. Qatar's telecommunications network has grown considerably during the last few years; notably, subscribers in the mobile market increased from 65,800 in 1998 to 376,500 in 2003 (Table IV.10).[85] Similarly, the number of internet users climbed from 20,000 to 126,000 in the same period.[86] At the end of 2003, there were 184,500 fixed telephone lines in service, i.e. a teledensity of 28.91 (up from 25.99 in 1998).[87]

Table IV.10
Selected telecommunication indicators, 1998-03

	1998	2001	2002	2003
Main telephone lines ('000)	150.5	167.4	176.5	184.5
Main lines per 100 inhabitants	25.99	27.45	28.60	28.91
Public payphones	739	910	..	..
Cellular mobile subscribers ('000)	65.8	177.9	266.7	376.5
Cellular subscribers per 100 inhabitants	11.36	29.31	43.20	58.99
Full-time telecommunication staff	1,714	1,728	..	..
Telecommunication revenue (QR million)	1,096	1,456	..	..
Television receivers ('000)	490	530	..	..
Cable TV subscribers ('000)	32	34	..	..
Internet users ('000)	20	40	70	126
Personal computers ('000)	70	100	110	..

.. Not available.

Source: ITU (2004), *Telecommunication Indicators*. Geneva; and information provided by the Qatari authorities.

83. The subsector is under the control of a state-owned monopoly; Q-Tel. In 1998, the Government granted Q-Tel exclusivity to provide all telecommunication services until 2013.[88] Q-Tel will be paying fees to the Government related to the licence for exclusivity rights and for frequency, equivalent to 25% of net profit, after the exemption period ends in 2004. Qatar Public Telecommunications Corporation (QPTC) was established as a public firm in 1987 under Law No. 13 of 1987. It became a joint-stock company under the name of Q-Tel in November 1998. Q-Tel was partially privatized at the end of 1998 when the Government sold 45% of its capital (QR2.8 billion) to domestic and foreign investors; it was the first major public sale of government assets in Qatar.[89]

84. In 2002, Q-Tel began a three-phase transformation programme called Q-Turn, aimed at, *inter alia*, improving operational efficiency, and making it more customer-oriented by introducing new services. In November 2003, for example, Q-Tel signed an agreement with France's NavLink to build and operate an internet data centre to provide "value-added services", including co-location, internet bandwidth, back-up and restoration, and advanced managed services in the region. Q-Tel and UAE's

[84] WTO document S/DCS/W/QAT, 24 January 2003.
[85] In 1994, Qatar became the first GCC country to offer mobile telephone services.
[86] Internet services in Qatar were introduced in 1996.
[87] Digitalization of Qatar's telephone system was completed in 1992.
[88] Qatar has not made any commitments in telecommunication services under the GATS.
[89] Q-Tel is listed on the DSM, as well as on the London Stock Exchange through a Global Depositary Receipt (GDR) programme in July 1999. Q-Tel was listed on the Bahrain and Abu Dhabi stock exchanges in 2001 and 2002, respectively (EFG-Hermes, 2004).

Etisalt are building a 200 km subsea, fibre-optic cable to provide back-up for any emergencies in the telecommunications network.[90]

85. Q-Tel is also Qatar's regulatory authority in telecommunications. Under Law No. 13 of 1987, Q-Tel is empowered to grant licences and to regulate prices for all telecommunications services, including international and mobile telephone tariffs. However, in 2004, a decree law was issued, setting up a new telecoms regulator to, *inter alia*, make the market more efficient. Although local calls are free, and despite recent reductions in international and mobile tariffs by Q-Tel, prices are still among the highest in the region.[91] All telecom prices are set by Q-Tel on the basis of cost; they are not subject to government approval.

86. Qatar became member of the International Telecommunications Union on 27 March 1973.

87. Postal services in Qatar are under the control of a state-owned monopoly, Qatar Postal Corporation (Q-Post), established by Decree Law No. 18 of 2001.[92] Q-Post has around 440 employees, and is under the authority of the Council of Ministers. The Postal Law (Law No. 14 of 1990) provides for, *inter alia*, the scope of the postal monopoly, and fees for postal services. Postal tariffs remained basically unchanged during 1995-03, which partly caused losses in Q-Post up to 2002; Q-Post made a profit in 2003. The Government stopped funding Q-Post at the end of 2001.[93] New postal tariffs were introduced as from 1 January 2004. Postal tariffs are recommended by Q-Post, then analysed by the Planning Council, and ultimately approved by the Council of Ministers.

88. Qatar is in the process of reforming its postal services, as part of the Public Service Development (PSD) project, in an effort to increase the efficiency and productivity of postal services. With this aim in mind, the Planning Council requested an independent study of the subsector. According to this study, the scope of the postal monopoly is not defined in detail[94], and seems to go beyond the guidelines of the Universal Postal Union (UPU), which focuses on reserved postal services for letter mail up to 1 kg. and parcel mail up to 20 kg. Some of the main solutions suggested by the study are: to update and review the legal and regulatory framework, including separating the roles of policy-maker, regulator, and operator(s), while anchoring the policy-making role at a ministry level; and to improve systems in all areas of postal management.[95] All postal services are under the monopoly of Q-Post, with the exception of express courier, in which the private sector participates.

(iv) Transport

89. Transport plays a major role in the economy of Qatar. Air, maritime, and road transport, together with communications, contributed 3.3% to Qatar's GDP in 2003 (down from 3.4% in 1993).

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[90] Currently, Qatar has a cable link with the UAE, but if the link is damaged, the UAE could not be reached, except through satellite. This happened in mid-2003 when an earthquake in Algeria caused disruption to internet and telecoms services in Qatar and elsewhere in the region. The UAE is a nodal telecoms point that provides Qatar's links to both the west and east of the globe, as well as the base for the Fibre Optic Gulf (FOG) network (Economist Intelligence Unit, 2004).

[91] EFG-Hermes (2004).

[92] Emiri Decree No. 40 of 2001 refers to the formation of the Board of Directors of Q-Post.

[93] Revenues in the subsector account for less than 50% of total expenditures of Q-Post (Bearing Point, 2003).

[94] Article 2 of the Postal Law defines postal monopoly as "monopolization of postal services all over the State of Qatar in accordance with provisions of the Postal Law and Arab and international postal agreements in force".

[95] Bearing Point (2003).

Qatar has no railway system. However, GCC transport ministers have approved a feasibility study for the construction of a 2,000 km railway network in the region.[96]

90. Transport services were not included in Qatar's schedule of commitments under the GATS.

(a) Maritime transport

91. Maritime transport is crucial for Qatar's domestic and international trade, since some of its main industrial centres are on or near the sea. Qatar's merchant fleet is relatively small, and handled 770,000 dead-weight tons (dwt) as of December 2002 (down from 1,154,000 dwt at the end of 1999) (Table IV.11). Oil tankers, general cargo, and container ships registered the major reductions in cargo carried, while that of bulk carriers remained constant over the period.

Table IV.11
Merchant fleet, 1999-02
(Thousand deadweight tons)

	1999	2000	2001	2002
Total merchant fleet	**1,154**	**1,079**	**1,040**	**770**
Oil tankers	466	375	375	208
Bulk carriers	270	270	270	270
General cargo	202	206	158	82
Container ships	198	204	204	184
Other	18	24	33	26

Source: UNCTAD, *Review of Maritime Transport*, Geneva, various issues.

92. Qatar's maritime transport is operated through three main ports: Doha Port, the country's main commercial port, with eleven berths; the port at the industrial city of Mesaieed, with three berths; and the port at the industrial city of Ras Laffan, which is designed mainly for vessels loading LNG, and has commercial berths to handle heavy project cargo, construction material, and containers. Port ownership and management are still restricted to the Government.

93. Maritime activities, including the control and management of seaports, are administered by the General Customs and Ports Authority.[97] As a member of the International Maritime Organization (IMO) since 1977, the Arab Academy for Maritime Transport, and the International Federation of Ports, Qatar applies international safety conventions and regulations. Qatar also participates in the United Nations Convention on a Code of Conduct for Liner Conferences, which entered into force on 6 October 1983.

94. Until April 2001, Qatar Navigation (previously known as Qatar National Navigation and Transport Company) was the sole shipping agent and coastal sea transport company in Qatar. Since then, the market has been opened to competition and there are now about 20 registered shipping agencies.[98] The subsector is dominated by the Qatar Shipping Company (Q-Ship), incorporated as a shareholding company in December 1992. The company provides extensive services to QP, using

[96] The GCC countries are linked only by road and sea. The findings of the GCC railway feasibility study will be sent for approval to the GCC summit to be held in December 2004 (*Gulf Times*, 18 October 2004).

[97] The General Customs and Ports Authority also comprises the Maritime Commerce and Transport Department, and the Ports Department.

[98] In 1974, Qatar Navigation began to diversify in order to reduce its dependence on shipping agency activities, and it has since introduced operations ranging from ship repair and steel fabrication to dredging, bunkering services, and offshore construction and maintenance. It also provides equipment and manpower to companies involved in oil and gas projects in Qatar, including Rasgas and QP (QNB, 2003).

most of its eight vessels to ferry oil and gas products and supplies. Q-Ship is modernizing its fleet due to the growing demand for transportation in the oil and gas subsector.[99]

95. Maritime transport services may be provided by the private sector (foreign and Qatari). Foreign companies wishing to provide shipping and passenger transport services must obtain approval from the General Customs and Ports Authority. Shipments to Qatar must be carried on ships that are permitted entry into Qatari waters (including flag/ownership, age of vessel) and may not enter certain specified ports en route.

96. According to the authorities, the only conditions associated with flying the Qatari flag are registration and certification. Any ship may acquire Qatari nationality if it is registered at any port in the State of Qatar, and if the owner or owners are Qatari nationals; in the case of a corporation, it must have Qatari nationality. According to the authorities, there are no other specific incentives for flying the Qatari flag.

(b) Air transport

97. Air transport in Qatar is dominated by the national carrier, the state-owned Qatar Airways (QA). It is a loss-making company, but Qataris regard it as a "symbol of national pride". QA aims to become profitable within four to five years by, *inter alia*, expanding its route network (from 49 destinations in 2003 to at least 60 by the end of 2005), strengthening cargo services, and improving the quality of the services it provides with several new aircraft. As part of Qatar's Master Plan on tourism, QA is expanding its fleet. It signed a contract with Airbus in June 2003 (US$5.1 billion) for an additional 34 airplanes, which will allow it to fly a fleet of 52 aircraft by the end of 2008.[100] QA is an active member of the International Air Transport Association (IATA) and, in 2003, became the first airline in the world to pass IATA's Operational Safety Audit (IOSA) Programme.[101]

98. The QA Group consists of seven subsidiary companies: Doha International Airport; United Media International Company (controls media advertisement at Doha's airport)[102]; Qatar Aviation Services (handling services); Qatar Duty Free Company (negotiate contracts with duty-free shops); Qatar Distribution Company (with exclusive rights to import and distribute "special goods", such as alcoholic beverages), Qatar Aircraft Catering Company[103], and Qatar Airways Holidays (tourism packages).

99. The Government of Qatar has given QA responsibility for renovating the airport in Doha; the cost of the project is estimated at US$120 million. As part of Qatar's Master Plan on tourism, a new state-of-the-art airport will be built in three phases over 2005-15.[104] The first phase, to be completed

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[99] Q-Ship is buying six crude oil tankers from Korea. Q-Ship is 57% owned by Qatari investors and 43% by the Government (Economist Intelligence Unit, 2004).

[100] QA is half-owned by the Government, 45% by members of the ruling Al-Thani family, and 5% by Qatar Insurance Company. By the end of 2003, the airline had debts estimated at US$2.5 billion, owed to various local and foreign banks. QA's authorities consider that the company's debts are related to its expansion plans and do not reflect its operational profitability (Economist Intelligence Unit, 2004).

[101] The IOSA programme is designed to assess the operational management and control systems of an airline. IATA online information. Available at: http://www.iata.org/ps/services/iosa.htm [21 September 2004].

[102] Joint-venture with a company from Bahrain.

[103] Joint-venture with a company from India.

[104] The new airport will be built on a 2,220 ha site (half of it to be taken from the sea), close to the existing airport. It will include several hotels, cargo facilities, hangars, a maintenance centre, a royal terminal for VIP flights, and a new QA headquarters building. According to the authorities, until the new airport is opened, the existing one would be upgraded to meet the increase in passenger growth. Qatar Airways online information. Available at: http://www.qatarairways.com, "The Airline" [21 September 2004].

in 2008 at the cost of US$2.5 billion, will increase the capacity of the airport to 12 million passengers annually, compared with 4.2 million currently. In the second phase, the terminal building will be expanded to handle 24 million passengers, and in the third phase the airport will handle 50 million passengers. According to the authorities, in 2004, the new airport project was awarded to Bechtel Corporation of the United States.

100. Private air carriers are allowed to operate scheduled flights from and to Qatar. Currently, QA collaborates with more than 50 foreign airlines. Authority for approval of new carriers is vested in the Civil Aviation Authority (CAA), the body responsible for air transport and meteorology in Qatar. Under Decree Law No. 16 of 2002, the CAA proposes the general guidelines of air transport policy and relevant legislation to the Council of Ministers, and enforces international agreements and conventions.[105] According to the authorities, there are, in principle, no objections to allowing new entrants into the market.

101. Qatar has signed bilateral air transport agreements with 76 countries. Key parameters covered by these agreements are reciprocity of capacity and frequency. Qatar has open-sky agreements with the United States, Malaysia, Lebanon, and Singapore. Minimum prices are set by the CAA, with a fine of QR10,000 for a first-time violation (this increases subsequently). Prices must be submitted to the authorities for information purposes.

(c) Road transport

102. Qatar has a good highway transport system, which connects all the main cities of the country. Qatar's road network is dominated by the highway that skirts the east coast of the peninsula. There are almost 2,000 km of roads, most are hard-surfaced. Qatar's only foreign road connection is with Saudi Arabia. Qatar is connected with Europe, via the Trans-Arabia Highway in Saudi Arabia, and with the UAE and Oman through a hard-surfaced route, also through Saudi Arabia. Qatar has no public transport system.[106]

103. Road transport activities are regulated by the Ministry of Municipal Affairs and Agriculture. It is responsible for, *inter alia*, urban developments, construction of highways, and road maintenance. Given the importance of road transport for the urban, industrial, and commercial development of Qatar, the main policy goal is to continue expanding the road infrastructure. Some US$1.4 billion has been set aside for major road projects, such as the Doha Expressway, a highway designed to ease traffic congestion in Doha (at a cost of US$800 million), and a highway connecting the capital with the new industrial centre of Salwa. Moreover, Qatar and Bahrain plan to build the "Qatar-Bahrain Friendship Bridge", a 45-km causeway that will connect the two countries (at a cost of US$2 billion).[107]

(v) Tourism

104. Development of tourism activities is a key policy objective in Qatar, as part of its diversification efforts. The Government intends to raise the country's international profile, projecting Qatar as a destination for cultural and business tourism, rather than mass tourism and, in the process,

[105] Qatar Chamber of Commerce and Industry (2004).

[106] Taxis, which can be quite expensive, or private rental cars are the most usual ways of getting around the country for those who do not have their own means of transport (Qatar Chamber of Commerce and Industry, 2004).

[107] *International Herald Tribune*, 18 November 2004.

attract more foreign investment.[108] According to the authorities, Qatar puts only its oil and gas industry ahead of its tourism plans. Qatar has spent US$2 billion during the past two years to develop hotels and tourist resorts.

105. The key tourist attractions in Qatar are historical and cultural sites[109]; 200 kilometres of beaches; as well as various sports facilities.[110] Furthermore, Qatar has a well-developed infrastructure, including high-standard hotel accommodation, consisting of 28 classified hotels, with a total of 4,889 beds in 2002, as well as a range of entertainment.[111] During January-September 2004, the average occupancy rate was 75.1% in all hotels in Qatar, compared with 67.1% over the same period in 2003.[112] In 2003, 143,486 tourists visited Qatar (up from 58,691 in 2001): 33.1% from Asia; 30.8% from Europe; 21.5% from Arab countries; 10.1% from the United States and Canada; and 3.3% from Australia; with the remainder coming from Africa and Latin America. To promote and facilitate tourism, the visa application process has been eased for nationals of 34 countries, mostly European; they can obtain a visa on arrival.[113]

106. The Qatar Tourism Authority (QTA), established in 1998 according to Law No. 16, and under instructions from the Council of Ministers, is responsible for, *inter alia*: developing tourism in the country through the preparation of plans and programmes; regulating and supervising all relevant agents in the subsector, including categorizing hotels, and tourist offices; and granting licences. In 2003, QTA established a Doha Convention Bureau to act as the first point of contact, as part of its efforts to promote meetings, conferences, and exhibitions. QTA aims to attract up to one million tourists, mainly from Europe and the United States, by 2010 (up from around 400,000 in 2004).

107. In 2004, QTA unveiled its Master Plan on Qatar's tourism development strategy, which will require investment of more than US$15 billion over the coming years. The Master Plan, with Doha as the centre, aims to diversify Qatar's tourism products with a three-axes orientation: (i) the culture and heritage axis will include the Doha-Bahrain causeway village, the National Heritage Village at Al Zubara, and a number of beach clubs in Al Khor; (ii) the discovery axis will include seaside recreational facilities, a television village, zoo, and equestrian stables; and (iii) the natural axis will

[108] Qatar hosted a major conference on tourism in May 2004, as part of its promotion efforts. The Global Travel and Tourism Summit was attended by the heads of the world's largest travel and tourism companies, airlines, hotel chains, and government officials.

[109] Cultural tourism will receive a major boost through the development of a number of projects, including: the Museum of Islamic Arts (cost US$1.2 billion), to be completed in 2006 as part of a man-made island on the edge of Doha port, which will be the largest museum of its kind in the world; Qatar National Library, currently under construction on Doha's Corniche, which will be the major repository of bibliographic reference material in the region; and Qatar Photography Museum, also under construction on Doha's Corniche. In addition, Qatar's existing National Museum is undergoing major expansion and renovation, including the creation of a new underground museum.

[110] Qatar aims to become the sporting capital of Asia, and already hosts a number of world class sporting events all year around (e.g. Qatar Tennis Open, Qatar Masters Golf tournament, and Motorcycling Grand Prix). Moreover, several stadiums are being built or upgraded for the 2006 Asian Games in Qatar, and a 36.5 hectare athlete's village is being developed in the centre of Doha, ready for conversion to world class medical facilities once the games are finished.

[111] By mid 2006, 2,500 additional rooms are expected, with the construction of eight four-star and five-star hotels in Doha.

[112] Deloitte & Touche (2004).

[113] Economist Intelligence Unit (2004).

have some ecological sites. Moreover, two "lifestyle cities" are planned to the north of Doha: the Pearl of the Gulf project[114], and the North Beach Development and Entertainment City.[115]

108. The Government is active in the tourism subsector, including financing significant investment projects to improve the infrastructure. According to the authorities, the Government grants tourism-related investment incentives after a feasibility study has been undertaken, and provided the project is in line with the overall vision of the country. Although there is no official taxation system for the subsector, all hotel bills include a 17% tax (i.e. 10% service charge plus a 7% government tax).

109. Under the new Investment Law, foreign investors may, subject to the Commercial Companies Law, own up to 100% of total equity in the tourism subsector (Chapter II(5))).

110. Qatar made some commitments in two tourism services (i.e. hotels and restaurants) under the GATS (Table AIV.1).

[114] The Pearl of the Gulf, a US$2.5 billion island project due to open by September 2006, will have three luxury hotels with over 900 rooms, as well as four marinas, and a variety of entertainment facilities.

[115] Bechtel Corporation of the United States has carried out the concept plan. It will include ten resort hotels, two golf courses, 3,000 lifestyle villas, 12,000 apartments, and associated retail and commercial space.

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